



## 98TH GENERAL ASSEMBLY

### State of Illinois

### 2013 and 2014

### SB2357

Introduced 2/15/2013, by Sen. Kyle McCarter

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Project Labor Agreements Act. Prohibits the State Board of Education and the Capital Development Board from requiring a project labor agreement for any school construction project or grant. Authorizes a board of education to exempt any school construction project from the requirements of the Act. Amends the General Assembly, State Employees, State Universities, Downstate Teachers, and Judges Articles of the Illinois Pension Code. Prohibits employees, except in certain circumstances, from receiving a retirement annuity before age 62. Changes the conditions of eligibility for, and the amount of, automatic annual increases in retirement annuities. Caps pensionable salary and compensation. Suspends the accrual of benefits in traditional and portable benefit packages. Establishes a self-managed plan for each State-funded retirement system. Requires affected participants to participate in the self-managed plans with respect to future service. Shifts normal costs to local school districts if certain mandates are funded. In various Articles, excludes new hires of certain government-related organizations from participation in State retirement systems. Amends the School Code. Makes changes in provisions concerning mandates for public and private schools. Repeals the Driver's Education Act. Amends the Illinois Educational Labor Relations Act. Prohibits school districts from entering into, amending, or renewing certain technology-related collective bargaining agreements. Amends the Prevailing Wage Act. Provides that a board of education may exempt school construction projects undertaken in the district from the Act. Amends the State Mandates Act to require implementation without reimbursement. Makes other changes. Effective immediately.

LRB098 10732 EFG 41071 b

FISCAL NOTE ACT  
MAY APPLY

PENSION IMPACT  
NOTE ACT MAY  
APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. The Illinois Public Labor Relations Act is  
5 amended by changing Section 15 as follows:

6 (5 ILCS 315/15) (from Ch. 48, par. 1615)

7 Sec. 15. Act Takes Precedence.

8 (a) In case of any conflict between the provisions of this  
9 Act and any other law (other than Section 5 of the State  
10 Employees Group Insurance Act of 1971 and other than the  
11 changes made by this amendatory Act of the 98th General  
12 Assembly or to the Illinois Pension Code by this amendatory Act  
13 of the 96th General Assembly), executive order or  
14 administrative regulation relating to wages, hours and  
15 conditions of employment and employment relations, the  
16 provisions of this Act or any collective bargaining agreement  
17 negotiated thereunder shall prevail and control. Nothing in  
18 this Act shall be construed to replace or diminish the rights  
19 of employees established by Sections 28 and 28a of the  
20 Metropolitan Transit Authority Act, Sections 2.15 through 2.19  
21 of the Regional Transportation Authority Act. The provisions of  
22 this Act are subject to Section 5 of the State Employees Group  
23 Insurance Act of 1971. Nothing in this Act shall be construed

1 to replace the necessity of complaints against a sworn peace  
2 officer, as defined in Section 2(a) of the Uniform Peace  
3 Officer Disciplinary Act, from having a complaint supported by  
4 a sworn affidavit.

5 (b) Except as provided in subsection (a) above, any  
6 collective bargaining contract between a public employer and a  
7 labor organization executed pursuant to this Act shall  
8 supersede any contrary statutes, charters, ordinances, rules  
9 or regulations relating to wages, hours and conditions of  
10 employment and employment relations adopted by the public  
11 employer or its agents. Any collective bargaining agreement  
12 entered into prior to the effective date of this Act shall  
13 remain in full force during its duration.

14 (c) It is the public policy of this State, pursuant to  
15 paragraphs (h) and (i) of Section 6 of Article VII of the  
16 Illinois Constitution, that the provisions of this Act are the  
17 exclusive exercise by the State of powers and functions which  
18 might otherwise be exercised by home rule units. Such powers  
19 and functions may not be exercised concurrently, either  
20 directly or indirectly, by any unit of local government,  
21 including any home rule unit, except as otherwise authorized by  
22 this Act.

23 (Source: P.A. 95-331, eff. 8-21-07; 96-889, eff. 1-1-11.)

24 Section 5. The Project Labor Agreements Act is amended by  
25 changing Sections 10 and 15 and by adding Section 17 as

1 follows:

2 (30 ILCS 571/10)

3 Sec. 10. Public works projects. Except as provided in  
4 Section 17 of this Act, on ~~On~~ a project-by-project basis, a  
5 State department, agency, authority, board, or instrumentality  
6 that is under the control of the Governor shall include a  
7 project labor agreement on a public works project when that  
8 department, agency, authority, board, or instrumentality has  
9 determined that the agreement advances the State's interests of  
10 cost, efficiency, quality, safety, timeliness, skilled labor  
11 force, labor stability, or the State's policy to advance  
12 minority-owned and women-owned businesses and minority and  
13 female employment.

14 (Source: P.A. 97-199, eff. 7-27-11.)

15 (30 ILCS 571/15)

16 Sec. 15. Public works projects funded with federal funds.  
17 Except as provided in Section 17 of this Act, when ~~When~~ it has  
18 been determined that a project labor agreement is appropriate,  
19 and in furtherance of the President's Executive Order 13502,  
20 the State department, agency, authority, board, or  
21 instrumentality responsible for awarding the project may  
22 include a project labor agreement on a public works project  
23 funded in whole or in part with federal funds.

24 (Source: P.A. 97-199, eff. 7-27-11.)

1 (30 ILCS 571/17 new)

2 Sec. 17. School construction projects; grants.

3 (a) Notwithstanding any other provision of this Act, the  
4 State Board of Education and the Capital Development Board  
5 shall not require a project labor agreement for any school  
6 construction project or any school construction project grant  
7 or debt service grant provided under the School Construction  
8 Law.

9 (b) Notwithstanding any other provision of this Act, the  
10 board of education of any school district may, by passage of a  
11 resolution, exempt any school construction project undertaken  
12 in the district from the requirements of this Act, unless the  
13 district has already entered into a project labor agreement  
14 concerning that school construction project.

15 (c) For the purposes of this Section, "school construction  
16 project" means the acquisition, development, construction,  
17 reconstruction, rehabilitation, improvement, architectural  
18 planning, and installation of capital facilities consisting of  
19 buildings, structures, durable equipment, and land for  
20 educational purposes.

21 Section 10. The Illinois Pension Code is amended by  
22 changing Sections 1-160, 2-108, 2-119, 2-119.1, 7-109,  
23 14-103.10, 14-107, 14-110, 14-114, 15-103.1, 15-103.2, 15-107,  
24 15-111, 15-134.5, 15-135, 15-136, 15-158.2, 16-106, 16-121,

1 16-132, 16-133.1, 16-152.1, 16-158, 18-111, 18-124, and  
2 18-125.1 and adding Sections 2-103.1, 2-103.2, 2-105.1,  
3 2-126.2, 14-103.40, 14-103.41, 14-103.42, 14-103.43, 14-106.5,  
4 14-133.2, 15-107.1, 15-134.6, 16-104.1, 16-104.2, 16-106.4,  
5 16-131.7, 16-158.2, 18-105.1, 18-105.2, 18-108.1, 18-123.3,  
6 and 18-133.2 as follows:

7 (40 ILCS 5/1-160)

8 Sec. 1-160. Provisions applicable to new hires.

9 (a) The provisions of this Section apply to a person who,  
10 on or after January 1, 2011, first becomes a member or a  
11 participant under any reciprocal retirement system or pension  
12 fund established under this Code, other than a retirement  
13 system or pension fund established under Article 2, 3, 4, 5, 6,  
14 or 18 of this Code, notwithstanding any other provision of this  
15 Code to the contrary, but do not apply to any self-managed plan  
16 established under this Code, to any person with respect to  
17 service as a sheriff's law enforcement employee under Article  
18 7, or to any participant of the retirement plan established  
19 under Section 22-101.

20 (b) "Final average salary" means the average monthly (or  
21 annual) salary obtained by dividing the total salary or  
22 earnings calculated under the Article applicable to the member  
23 or participant during the 96 consecutive months (or 8  
24 consecutive years) of service within the last 120 months (or 10  
25 years) of service in which the total salary or earnings

1 calculated under the applicable Article was the highest by the  
2 number of months (or years) of service in that period. For the  
3 purposes of a person who first becomes a member or participant  
4 of any retirement system or pension fund to which this Section  
5 applies on or after January 1, 2011, in this Code, "final  
6 average salary" shall be substituted for the following:

7 (1) In Articles 7 (except for service as sheriff's law  
8 enforcement employees) and 15, "final rate of earnings".

9 (2) In Articles 8, 9, 10, 11, and 12, "highest average  
10 annual salary for any 4 consecutive years within the last  
11 10 years of service immediately preceding the date of  
12 withdrawal".

13 (3) In Article 13, "average final salary".

14 (4) In Article 14, "final average compensation".

15 (5) In Article 17, "average salary".

16 (6) In Section 22-207, "wages or salary received by him  
17 at the date of retirement or discharge".

18 (b-5) Beginning on January 1, 2011, for all purposes under  
19 this Code (including without limitation the calculation of  
20 benefits and employee contributions), the annual earnings,  
21 salary, or wages (based on the plan year) of a member or  
22 participant to whom this Section applies shall not exceed  
23 \$106,800; however, that amount shall annually thereafter be  
24 increased by the lesser of (i) 3% of that amount, including all  
25 previous adjustments, or (ii) one-half the annual unadjusted  
26 percentage increase (but not less than zero) in the consumer

1 price index-u for the 12 months ending with the September  
2 preceding each November 1, including all previous adjustments.

3 For the purposes of this Section, "consumer price index-u"  
4 means the index published by the Bureau of Labor Statistics of  
5 the United States Department of Labor that measures the average  
6 change in prices of goods and services purchased by all urban  
7 consumers, United States city average, all items, 1982-84 =  
8 100. The new amount resulting from each annual adjustment shall  
9 be determined by the Public Pension Division of the Department  
10 of Insurance and made available to the boards of the retirement  
11 systems and pension funds by November 1 of each year.

12 (c) A member or participant is entitled to a retirement  
13 annuity upon written application if he or she has attained age  
14 67 and has at least 10 years of service credit and is otherwise  
15 eligible under the requirements of the applicable Article.

16 A member or participant who has attained age 62 and has at  
17 least 10 years of service credit and is otherwise eligible  
18 under the requirements of the applicable Article may elect to  
19 receive the lower retirement annuity provided in subsection (d)  
20 of this Section.

21 (d) The retirement annuity of a member or participant who  
22 is retiring after attaining age 62 with at least 10 years of  
23 service credit shall be reduced by one-half of 1% for each full  
24 month that the member's age is under age 67.

25 (e) Any retirement annuity or supplemental annuity shall be  
26 subject to annual increases on the January 1 occurring either

1 on or after the attainment of age 67 or the first anniversary  
2 of the annuity start date, whichever is later. Each annual  
3 increase shall be calculated at 3% or one-half the annual  
4 unadjusted percentage increase (but not less than zero) in the  
5 consumer price index-u for the 12 months ending with the  
6 September preceding each November 1, whichever is less, of the  
7 originally granted retirement annuity. If the annual  
8 unadjusted percentage change in the consumer price index-u for  
9 the 12 months ending with the September preceding each November  
10 1 is zero or there is a decrease, then the annuity shall not be  
11 increased.

12 (f) The initial survivor's or widow's annuity of an  
13 otherwise eligible survivor or widow of a retired member or  
14 participant who first became a member or participant on or  
15 after January 1, 2011 shall be in the amount of 66 2/3% of the  
16 retired member's or participant's retirement annuity at the  
17 date of death. In the case of the death of a member or  
18 participant who has not retired and who first became a member  
19 or participant on or after January 1, 2011, eligibility for a  
20 survivor's or widow's annuity shall be determined by the  
21 applicable Article of this Code. The initial benefit shall be  
22 66 2/3% of the earned annuity without a reduction due to age. A  
23 child's annuity of an otherwise eligible child shall be in the  
24 amount prescribed under each Article if applicable. Any  
25 survivor's or widow's annuity shall be increased (1) on each  
26 January 1 occurring on or after the commencement of the annuity

1 if the deceased member died while receiving a retirement  
2 annuity or (2) in other cases, on each January 1 occurring  
3 after the first anniversary of the commencement of the annuity.  
4 Each annual increase shall be calculated at 3% or one-half the  
5 annual unadjusted percentage increase (but not less than zero)  
6 in the consumer price index-u for the 12 months ending with the  
7 September preceding each November 1, whichever is less, of the  
8 originally granted survivor's annuity. If the annual  
9 unadjusted percentage change in the consumer price index-u for  
10 the 12 months ending with the September preceding each November  
11 1 is zero or there is a decrease, then the annuity shall not be  
12 increased.

13 (g) The benefits in Section 14-110 apply only if the person  
14 is a State policeman, special agent, ~~a fire fighter in the fire~~  
15 ~~protection service of a department, or~~ a security employee of  
16 the Department of Corrections ~~or the Department of Juvenile~~  
17 ~~Justice, or an investigator for the Department of State Police,~~  
18 as those terms are defined in subsection (c) ~~(b)~~ of Section  
19 14-110. A person who meets the requirements of this Section is  
20 entitled to an annuity calculated under the provisions of  
21 Section 14-110, in lieu of the regular or minimum retirement  
22 annuity, only if the person has withdrawn from service with not  
23 less than 20 years of eligible creditable service and has  
24 attained age 60, regardless of whether the attainment of age 60  
25 occurs while the person is still in service.

26 (h) If a person who first becomes a member or a participant

1 of a retirement system or pension fund subject to this Section  
2 on or after January 1, 2011 is receiving a retirement annuity  
3 or retirement pension under that system or fund and becomes a  
4 member or participant under any other system or fund created by  
5 this Code and is employed on a full-time basis, except for  
6 those members or participants exempted from the provisions of  
7 this Section under subsection (a) of this Section, then the  
8 person's retirement annuity or retirement pension under that  
9 system or fund shall be suspended during that employment. Upon  
10 termination of that employment, the person's retirement  
11 annuity or retirement pension payments shall resume and be  
12 recalculated if recalculation is provided for under the  
13 applicable Article of this Code.

14 If a person who first becomes a member of a retirement  
15 system or pension fund subject to this Section on or after  
16 January 1, 2012 and is receiving a retirement annuity or  
17 retirement pension under that system or fund and accepts on a  
18 contractual basis a position to provide services to a  
19 governmental entity from which he or she has retired, then that  
20 person's annuity or retirement pension earned as an active  
21 employee of the employer shall be suspended during that  
22 contractual service. A person receiving an annuity or  
23 retirement pension under this Code shall notify the pension  
24 fund or retirement system from which he or she is receiving an  
25 annuity or retirement pension, as well as his or her  
26 contractual employer, of his or her retirement status before

1 accepting contractual employment. A person who fails to submit  
2 such notification shall be guilty of a Class A misdemeanor and  
3 required to pay a fine of \$1,000. Upon termination of that  
4 contractual employment, the person's retirement annuity or  
5 retirement pension payments shall resume and, if appropriate,  
6 be recalculated under the applicable provisions of this Code.

7 (i) Notwithstanding any other provision of this Section, a  
8 person who first becomes a participant of the retirement system  
9 established under Article 15 on or after January 1, 2011 shall  
10 have the option to enroll in the self-managed plan created  
11 under Section 15-158.2 of this Code.

12 (j) In the case of a conflict between the provisions of  
13 this Section and any other provision of this Code, the  
14 provisions of this Section shall control.

15 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11;  
16 97-609, eff. 1-1-12.)

17 (40 ILCS 5/2-103.1 new)

18 Sec. 2-103.1. Traditional benefit package. "Traditional  
19 benefit package" means the defined benefit retirement program  
20 maintained by the System, which includes retirement annuities  
21 payable directly from the System, as provided in Sections  
22 2-119, 2-119.01, 2-119.1, and 2-120; survivor's annuities  
23 payable directly from the System, as provided in Sections  
24 2-121, 2-121.1, 2-121.2, and 2-121.3; and contribution  
25 refunds, as provided in Section 2-123.

1 (40 ILCS 5/2-103.2 new)

2 Sec. 2-103.2. Self-managed plan. "Self-managed plan" means  
3 the defined contribution retirement program maintained by the  
4 System, as described in Section 2-126.2. The self-managed plan  
5 does not include retirement annuities or survivor's benefits  
6 payable directly from the System, as provided in Sections  
7 2-119, 2-119.01, 2-119.1, 2-120, 2-121, 2-121.1, 2-121.2, and  
8 2-121.3 or refunds determined under Section 2-123.

9 (40 ILCS 5/2-105.1 new)

10 Sec. 2-105.1. Tier I employee. "Tier I employee": A  
11 participant who first became a participant before January 1,  
12 2011.

13 (40 ILCS 5/2-108) (from Ch. 108 1/2, par. 2-108)

14 Sec. 2-108. Salary. "Salary": (1) For members of the  
15 General Assembly, the total compensation paid to the member by  
16 the State for one year of service, including the additional  
17 amounts, if any, paid to the member as an officer pursuant to  
18 Section 1 of "An Act in relation to the compensation and  
19 emoluments of the members of the General Assembly", approved  
20 December 6, 1907, as now or hereafter amended.

21 (2) For the State executive officers specified in Section  
22 2-105, the total compensation paid to the member for one year  
23 of service.

1           (3) For members of the System who are participants under  
2 Section 2-117.1, or who are serving as Clerk or Assistant Clerk  
3 of the House of Representatives or Secretary or Assistant  
4 Secretary of the Senate, the total compensation paid to the  
5 member for one year of service, but not to exceed the salary of  
6 the highest salaried officer of the General Assembly.

7           However, in the event that federal law results in any  
8 participant receiving imputed income based on the value of  
9 group term life insurance provided by the State, such imputed  
10 income shall not be included in salary for the purposes of this  
11 Article.

12           Notwithstanding any other provision of this Code, for  
13 periods of service on and after the effective date of this  
14 amendatory Act of the 98th General Assembly, "salary" does not  
15 include any annual remuneration for personal services in an  
16 amount that is in excess of the annual contribution and benefit  
17 base established for the previous year by the Commissioner of  
18 Social Security pursuant to Section 230 of the federal Social  
19 Security Act.

20           (Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

21           (40 ILCS 5/2-119) (from Ch. 108 1/2, par. 2-119)

22           Sec. 2-119. Retirement annuity - conditions for  
23 eligibility.

24           (a) A participant whose service as a member is terminated,  
25 regardless of age or cause, is entitled to a retirement annuity

1 beginning on the date specified by the participant in a written  
2 application subject to the following conditions:

3 1. The date the annuity begins does not precede the  
4 date of final termination of service, or is not more than  
5 30 days before the receipt of the application by the board  
6 in the case of annuities based on disability or one year  
7 before the receipt of the application in the case of  
8 annuities based on attained age;

9 2. The participant meets one of the following  
10 eligibility requirements:

11 For a participant who first becomes a participant of  
12 this System before January 1, 2011 (the effective date of  
13 Public Act 96-889):

14 (A) He or she has attained age 55 and has at least  
15 8 years of service credit;

16 (B) He or she has attained age 62 and terminated  
17 service after July 1, 1971 with at least 4 years of  
18 service credit; or

19 (C) He or she has completed 8 years of service and  
20 has become permanently disabled and as a consequence,  
21 is unable to perform the duties of his or her office.

22 For a participant who first becomes a participant of  
23 this System on or after January 1, 2011 (the effective date  
24 of Public Act 96-889), he or she has attained age 67 and  
25 has at least 8 years of service credit.

26 Notwithstanding any other provision of this Code,

1 beginning on the effective date of this amendatory Act of the  
2 98th General Assembly, a Tier I employee shall not, regardless  
3 of the amount of accrued service credit, be entitled to a  
4 retirement annuity until he or she has attained age 62.

5 (a-5) A participant who first becomes a participant of this  
6 System on or after January 1, 2011 (the effective date of  
7 Public Act 96-889) who has attained age 62 and has at least 8  
8 years of service credit may elect to receive the lower  
9 retirement annuity provided in paragraph (c) of Section  
10 2-119.01 of this Code.

11 (b) A participant shall be considered permanently disabled  
12 only if: (1) disability occurs while in service and is of such  
13 a nature as to prevent him or her from reasonably performing  
14 the duties of his or her office at the time; and (2) the board  
15 has received a written certificate by at least 2 licensed  
16 physicians appointed by the board stating that the member is  
17 disabled and that the disability is likely to be permanent.

18 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

19 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

20 Sec. 2-119.1. Automatic increase in retirement annuity.

21 (a) A participant who retires after June 30, 1967, and who  
22 has not received an initial increase under this Section before  
23 the effective date of this amendatory Act of 1991, shall, in  
24 January or July next following the first anniversary of  
25 retirement, whichever occurs first, and in the same month of

1 each year thereafter, but in no event prior to age 60, have the  
2 amount of the originally granted retirement annuity increased  
3 as follows: for each year through 1971, 1 1/2%; for each year  
4 from 1972 through 1979, 2%; and for 1980 and each year  
5 thereafter, 3%. Annuitants who have received an initial  
6 increase under this subsection prior to the effective date of  
7 this amendatory Act of 1991 shall continue to receive their  
8 annual increases in the same month as the initial increase.

9 (b) Beginning January 1, 1990, for eligible participants  
10 who remain in service after attaining 20 years of creditable  
11 service, the 3% increases provided under subsection (a) shall  
12 begin to accrue on the January 1 next following the date upon  
13 which the participant (1) attains age 55, or (2) attains 20  
14 years of creditable service, whichever occurs later, and shall  
15 continue to accrue while the participant remains in service;  
16 such increases shall become payable on January 1 or July 1,  
17 whichever occurs first, next following the first anniversary of  
18 retirement. For any person who has service credit in the System  
19 for the entire period from January 15, 1969 through December  
20 31, 1992, regardless of the date of termination of service, the  
21 reference to age 55 in clause (1) of this subsection (b) shall  
22 be deemed to mean age 50.

23 This subsection (b) does not apply to any person who first  
24 becomes a member of the System after the effective date of this  
25 amendatory Act of the 93rd General Assembly.

26 (b-5) Notwithstanding any other provision of this Article,

1 except subsections (f), (f-5), and (g) of this Section, a  
2 participant who first becomes a participant on or after January  
3 1, 2011 (the effective date of Public Act 96-889) shall, in  
4 January or July next following the first anniversary of  
5 retirement, whichever occurs first, and in the same month of  
6 each year thereafter, but in no event prior to age 67, have the  
7 amount of the retirement annuity then being paid increased by  
8 3% or the annual unadjusted percentage increase in the Consumer  
9 Price Index for All Urban Consumers as determined by the Public  
10 Pension Division of the Department of Insurance under  
11 subsection (a) of Section 2-108.1, whichever is less.

12 (c) The foregoing provisions relating to automatic  
13 increases are not applicable to a participant who retires  
14 before having made contributions (at the rate prescribed in  
15 Section 2-126) for automatic increases for less than the  
16 equivalent of one full year. However, in order to be eligible  
17 for the automatic increases, such a participant may make  
18 arrangements to pay to the system the amount required to bring  
19 the total contributions for the automatic increase to the  
20 equivalent of one year's contributions based upon his or her  
21 last salary.

22 (d) A participant who terminated service prior to July 1,  
23 1967, with at least 14 years of service is entitled to an  
24 increase in retirement annuity beginning January, 1976, and to  
25 additional increases in January of each year thereafter.

26 The initial increase shall be 1 1/2% of the originally

1 granted retirement annuity multiplied by the number of full  
2 years that the annuitant was in receipt of such annuity prior  
3 to January 1, 1972, plus 2% of the originally granted  
4 retirement annuity for each year after that date. The  
5 subsequent annual increases shall be at the rate of 2% of the  
6 originally granted retirement annuity for each year through  
7 1979 and at the rate of 3% for 1980 and thereafter.

8 (e) Beginning January 1, 1990, all automatic annual  
9 increases payable under this Section shall be calculated as a  
10 percentage of the total annuity payable at the time of the  
11 increase, including previous increases granted under this  
12 Article.

13 (f) Notwithstanding any other provision of this Code,  
14 except subsection (f-5) of this Section, beginning on the  
15 effective date of this amendatory Act of the 98th General  
16 Assembly, the monthly retirement annuity of an annuitant shall  
17 first be subject to annual increases on the January 1 occurring  
18 on or next after either the attainment of age 67 or the January  
19 1 occurring on or next after the fifth anniversary of the  
20 annuity start date, whichever occurs earlier. If on the  
21 effective date of this amendatory Act of the 98th General  
22 Assembly an annuitant has already received an annual increase  
23 under this Section but is not eligible to receive an annual  
24 increase under this subsection (f), then the annual increases  
25 already received shall continue in force, but no additional  
26 annual increase shall be granted until the annuitant meets the

1 new eligibility requirements.

2 (f-5) Notwithstanding subsection (f), no annual increase  
3 shall be paid under this Section in a calendar year if, on  
4 January 1 of the preceding calendar year, the total assets of  
5 the System are less than 85% of the total actuarial liabilities  
6 of the System, as annually certified by the System.

7 (g) Notwithstanding any other provision of this Code,  
8 except subsection (f-5), beginning on the effective date of  
9 this amendatory Act of the 98th General Assembly, the amount of  
10 each automatic annual increase in retirement annuity occurring  
11 on or after the effective date of this amendatory Act of the  
12 98th General Assembly shall be 3% or one-half of the annual  
13 unadjusted percentage increase, if any, in the Consumer Price  
14 Index-U for the 12 months ending with the preceding September,  
15 whichever is less, of the originally granted retirement  
16 annuity. For the purposes of this Section, "Consumer Price  
17 Index-U" means the index published by the Bureau of Labor  
18 Statistics of the United States Department of Labor that  
19 measures the average change in prices of goods and services  
20 purchased by all urban consumers, United States city average,  
21 all items, 1982-84 = 100.

22 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

23 (40 ILCS 5/2-126.2 new)

24 Sec. 2-126.2. Self-managed plan.

25 (a) The General Assembly finds that the State should have

1 the flexibility to provide a defined contribution  
2 (self-managed) plan for eligible participants. Accordingly,  
3 the General Assembly Retirement System is hereby required,  
4 within 6 months after the effective date of this Section, to  
5 establish and administer a self-managed plan, which shall offer  
6 participants the opportunity to accumulate assets for  
7 retirement through a combination of participant and State  
8 contributions that may be invested in mutual funds, collective  
9 investment funds, or other investment products and used to  
10 purchase annuity contracts, either fixed or variable or a  
11 combination of fixed and variable. The plan must be qualified  
12 under the Internal Revenue Code of 1986.

13 (b) The Board shall adopt the self-managed plan established  
14 under this Section for all participants under this Article.

15 The General Assembly Retirement System shall be the plan  
16 sponsor for the self-managed plan and shall prepare a plan  
17 document and adopt any rules and procedures as are considered  
18 necessary or desirable for the administration of the  
19 self-managed plan. Consistent with its fiduciary duty to the  
20 participants and beneficiaries of the self-managed plan, the  
21 Board of Trustees of the System may delegate aspects of plan  
22 administration as it sees fit to companies authorized to do  
23 business in this State.

24 (c) The System shall solicit proposals to provide  
25 administrative services and funding vehicles for the  
26 self-managed plan from insurance and annuity companies and

1 mutual fund companies, banks, trust companies, or other  
2 financial institutions authorized to do business in this State.  
3 In reviewing the proposals received and approving and  
4 contracting with no fewer than 2 and no more than 7 companies,  
5 the Board of Trustees of the System shall consider, among other  
6 things, the following criteria:

7 (1) the nature and extent of the benefits that would be  
8 provided to the participants;

9 (2) the reasonableness of the benefits in relation to  
10 the premium charged;

11 (3) the suitability of the benefits to the needs and  
12 interests of the participants and the State; and

13 (4) the ability of the company to provide benefits  
14 under the contract and the financial stability of the  
15 company.

16 The System shall periodically review each approved  
17 company. A company may continue to provide administrative  
18 services and funding vehicles for the self-managed plan only so  
19 long as it continues to be an approved company under contract  
20 with the Board.

21 In addition to the companies approved by the System under  
22 this subsection (c), the System may offer its participants an  
23 investment fund managed by the System.

24 (d) Participants in the program must be allowed to direct  
25 the transfer of their account balances among the various  
26 investment options offered, subject to applicable contractual

1 provisions. The participant shall not be deemed a fiduciary by  
2 reason of providing such investment direction. A person who is  
3 a fiduciary shall not be liable for any loss resulting from  
4 that investment direction and shall not be deemed to have  
5 breached any fiduciary duty by acting in accordance with that  
6 direction. Neither the System nor the State shall guarantee any  
7 of the investments in the participant's account balances.

8 (e) Notwithstanding any other provision of this Code,  
9 beginning on the effective date of the self-managed plan  
10 established pursuant to this Section, all participants shall  
11 participate in the self-managed plan instead of the traditional  
12 benefit package with respect to service under this Article on  
13 and after that date. A member's participation in the  
14 traditional benefit package under this Article shall terminate  
15 on that date, and any existing rights and credits in the  
16 traditional benefit package shall be rolled over into the  
17 self-managed plan in accordance with subsection (f) of this  
18 Section.

19 Participation in the self-managed plan under this Section  
20 shall constitute participation in the General Assembly  
21 Retirement System.

22 A participant under this Section shall be entitled to the  
23 benefits of Article 20 of this Code.

24 (f) If, on the effective date of the self-managed plan  
25 established under this Section, a participant has rights and  
26 credits in the System due to previous participation in the

1 traditional benefit package, the System shall establish for the  
2 participant an opening account balance in the self-managed  
3 plan, equal to (1) the amount of the contribution refund that  
4 the participant would be eligible to receive under Section  
5 2-123 if the participant terminated employment on that date and  
6 elected a refund of contributions and (2) an amount equal to  
7 the regular employer contribution that would be required to  
8 fund the actual regular cost incurred for each year of service  
9 credit earned, provided that the total opening account balance  
10 does not exceed 7.6% of the participant's salary for that year,  
11 plus interest. The interest used in this subsection (f) is  
12 calculated as the average annual rate of return that the System  
13 has earned over the past 20 fiscal years and is compounded. The  
14 System shall transfer assets from the defined benefit  
15 retirement program to the self-managed plan, as a tax-free  
16 transfer in accordance with Internal Revenue Service  
17 guidelines, for purposes of funding the participant's opening  
18 account balance.

19 (g) Notwithstanding any other provision of this Article, a  
20 participant may not purchase or receive service or service  
21 credit applicable to the traditional benefit package under this  
22 Article for any period during which the member was a  
23 participant in the self-managed plan established under this  
24 Section.

25 (h) The self-managed plan shall be funded by contributions  
26 from participants in the self-managed plan, as provided in this

1 Section.

2 The annual required contribution for participants in the  
3 self-managed plan shall be an amount equal to 6% of the  
4 employee's salary. This required contribution shall be made as  
5 an employer pick-up under Section 414(h) of the Internal  
6 Revenue Code of 1986 or any successor Section thereof.  
7 Participants may make additional contributions to the  
8 self-managed plan in accordance with procedures prescribed by  
9 the System, to the extent permitted under rules adopted by the  
10 System.

11 (i) A participant in the self-managed plan who receives a  
12 distribution from the self-managed plan while not yet eligible  
13 for retirement under this Article (and Article 20, if  
14 applicable) shall forfeit all service credit and accrued rights  
15 in the System; if he or she subsequently becomes a participant  
16 under this Article again, he or she shall be considered a new  
17 participant. If a former participant again becomes a  
18 participating member (or becomes employed by a participating  
19 system under Article 20 of this Code) and continues as such for  
20 at least 2 years, all rights, service credits, and previous  
21 status as a participant shall be restored upon repayment of the  
22 amount of the distribution, without interest.

23 (j) If a participant in the self-managed plan terminates  
24 employment, the participant shall be entitled to a benefit that  
25 is based on the account values attributable to contributions  
26 and any investment return thereon.

1       (k) If a participant so requests, a distribution of funds  
2       from the self-managed plan may be paid in the form of a direct  
3       rollover to another qualified plan, to the extent allowed by  
4       federal law and in accordance with the rules of the System.

5           (40 ILCS 5/7-109) (from Ch. 108 1/2, par. 7-109)

6           Sec. 7-109. Employee.

7           (1) "Employee" means any person who:

8               (a) 1. Receives earnings as payment for the performance  
9               of personal services or official duties out of the  
10              general fund of a municipality, or out of any special  
11              fund or funds controlled by a municipality, or by an  
12              instrumentality thereof, or a participating  
13              instrumentality, including, in counties, the fees or  
14              earnings of any county fee office; and

15              2. Under the usual common law rules applicable in  
16              determining the employer-employee relationship, has  
17              the status of an employee with a municipality, or any  
18              instrumentality thereof, or a participating  
19              instrumentality, including aldermen, county  
20              supervisors and other persons (excepting those  
21              employed as independent contractors) who are paid  
22              compensation, fees, allowances or other emolument for  
23              official duties, and, in counties, the several county  
24              fee offices.

25              (b) Serves as a township treasurer appointed under the

1 School Code, as heretofore or hereafter amended, and who  
2 receives for such services regular compensation as  
3 distinguished from per diem compensation, and any regular  
4 employee in the office of any township treasurer whether or  
5 not his earnings are paid from the income of the permanent  
6 township fund or from funds subject to distribution to the  
7 several school districts and parts of school districts as  
8 provided in the School Code, or from both such sources; or  
9 is the chief executive officer, chief educational officer,  
10 chief fiscal officer, or other employee of a Financial  
11 Oversight Panel established pursuant to Article 1H of the  
12 School Code, other than a superintendent or certified  
13 school business official, except that such person shall not  
14 be treated as an employee under this Section if that person  
15 has negotiated with the Financial Oversight Panel, in  
16 conjunction with the school district, a contractual  
17 agreement for exclusion from this Section.

18 (c) Holds an elective office in a municipality,  
19 instrumentality thereof or participating instrumentality.

20 (2) "Employee" does not include persons who:

21 (a) Are eligible for inclusion under any of the  
22 following laws:

23 1. "An Act in relation to an Illinois State  
24 Teachers' Pension and Retirement Fund", approved May  
25 27, 1915, as amended;

26 2. Articles 15 and 16 of this Code.

1           However, such persons shall be included as employees to  
2           the extent of earnings that are not eligible for inclusion  
3           under the foregoing laws for services not of an  
4           instructional nature of any kind.

5           However, any member of the armed forces who is employed  
6           as a teacher of subjects in the Reserve Officers Training  
7           Corps of any school and who is not certified under the law  
8           governing the certification of teachers shall be included  
9           as an employee.

10           (b) Are designated by the governing body of a  
11           municipality in which a pension fund is required by law to  
12           be established for policemen or firemen, respectively, as  
13           performing police or fire protection duties, except that  
14           when such persons are the heads of the police or fire  
15           department and are not eligible to be included within any  
16           such pension fund, they shall be included within this  
17           Article; provided, that such persons shall not be excluded  
18           to the extent of concurrent service and earnings not  
19           designated as being for police or fire protection duties.  
20           However, (i) any head of a police department who was a  
21           participant under this Article immediately before October  
22           1, 1977 and did not elect, under Section 3-109 of this Act,  
23           to participate in a police pension fund shall be an  
24           "employee", and (ii) any chief of police who elects to  
25           participate in this Fund under Section 3-109.1 of this  
26           Code, regardless of whether such person continues to be

1 employed as chief of police or is employed in some other  
2 rank or capacity within the police department, shall be an  
3 employee under this Article for so long as such person is  
4 employed to perform police duties by a participating  
5 municipality and has not lawfully rescinded that election.

6 (c) After August 26, 2011 (the effective date of Public  
7 Act 97-609), are contributors to or eligible to contribute  
8 to a Taft-Hartley pension plan established on or before  
9 June 1, 2011 and are employees of a theatre, arena, or  
10 convention center that is located in a municipality located  
11 in a county with a population greater than 5,000,000, and  
12 to which the participating municipality is required to  
13 contribute as the person's employer based on earnings from  
14 the municipality. Nothing in this paragraph shall affect  
15 service credit or creditable service for any period of  
16 service prior to August 26, 2011, and this paragraph shall  
17 not apply to individuals who are participating in the Fund  
18 prior to August 26, 2011.

19 (d) Become an employee of any of the following  
20 participating instrumentalities on or after the effective  
21 date of this amendatory Act of the 98th General Assembly:  
22 the Illinois Municipal League; the Illinois Association of  
23 Park Districts; the Illinois Supervisors, County  
24 Commissioners and Superintendents of Highways Association;  
25 an association, or not-for-profit corporation, membership  
26 in which is authorized under Section 85-15 of the Township

1       Code; the United Counties Council; or the Will County  
2       Governmental League.

3       (3) All persons, including, without limitation, public  
4       defenders and probation officers, who receive earnings from  
5       general or special funds of a county for performance of  
6       personal services or official duties within the territorial  
7       limits of the county, are employees of the county (unless  
8       excluded by subsection (2) of this Section) notwithstanding  
9       that they may be appointed by and are subject to the direction  
10      of a person or persons other than a county board or a county  
11      officer. It is hereby established that an employer-employee  
12      relationship under the usual common law rules exists between  
13      such employees and the county paying their salaries by reason  
14      of the fact that the county boards fix their rates of  
15      compensation, appropriate funds for payment of their earnings  
16      and otherwise exercise control over them. This finding and this  
17      amendatory Act shall apply to all such employees from the date  
18      of appointment whether such date is prior to or after the  
19      effective date of this amendatory Act and is intended to  
20      clarify existing law pertaining to their status as  
21      participating employees in the Fund.

22      (Source: P.A. 97-429, eff. 8-16-11; 97-609, eff. 8-26-11;  
23      97-813, eff. 7-13-12.)

24           (40 ILCS 5/14-103.10) (from Ch. 108 1/2, par. 14-103.10)  
25           Sec. 14-103.10. Compensation.

1           (a) For periods of service prior to January 1, 1978, the  
2 full rate of salary or wages payable to an employee for  
3 personal services performed if he worked the full normal  
4 working period for his position, subject to the following  
5 maximum amounts: (1) prior to July 1, 1951, \$400 per month or  
6 \$4,800 per year; (2) between July 1, 1951 and June 30, 1957  
7 inclusive, \$625 per month or \$7,500 per year; (3) beginning  
8 July 1, 1957, no limitation.

9           In the case of service of an employee in a position  
10 involving part-time employment, compensation shall be  
11 determined according to the employees' earnings record.

12           (b) For periods of service on and after January 1, 1978,  
13 all remuneration for personal services performed defined as  
14 "wages" under the Social Security Enabling Act, including that  
15 part of such remuneration which is in excess of any maximum  
16 limitation provided in such Act, and including any benefits  
17 received by an employee under a sick pay plan in effect before  
18 January 1, 1981, but excluding lump sum salary payments:

- 19           (1) for vacation,  
20           (2) for accumulated unused sick leave,  
21           (3) upon discharge or dismissal,  
22           (4) for approved holidays.

23           (c) For periods of service on or after December 16, 1978,  
24 compensation also includes any benefits, other than lump sum  
25 salary payments made at termination of employment, which an  
26 employee receives or is eligible to receive under a sick pay

1 plan authorized by law.

2 (d) For periods of service after September 30, 1985,  
3 compensation also includes any remuneration for personal  
4 services not included as "wages" under the Social Security  
5 Enabling Act, which is deducted for purposes of participation  
6 in a program established pursuant to Section 125 of the  
7 Internal Revenue Code or its successor laws.

8 (e) For members for which Section 1-160 applies for periods  
9 of service on and after January 1, 2011, all remuneration for  
10 personal services performed defined as "wages" under the Social  
11 Security Enabling Act, excluding remuneration that is in excess  
12 of the annual earnings, salary, or wages of a member or  
13 participant, as provided in subsection (b-5) of Section 1-160,  
14 but including any benefits received by an employee under a sick  
15 pay plan in effect before January 1, 1981. Compensation shall  
16 exclude lump sum salary payments:

- 17 (1) for vacation;  
18 (2) for accumulated unused sick leave;  
19 (3) upon discharge or dismissal; and  
20 (4) for approved holidays.

21 (f) Notwithstanding any other provision of this Code, for  
22 periods of service on and after the effective date of this  
23 amendatory Act of the 98th General Assembly, "compensation"  
24 does not include any annual remuneration for personal services  
25 in an amount that is in excess of the annual contribution and  
26 benefit base established for the previous year by the

1 Commissioner of Social Security pursuant to Section 230 of the  
2 federal Social Security Act or any remuneration for overtime.

3 (Source: P.A. 96-1490, eff. 1-1-11.)

4 (40 ILCS 5/14-103.40 new)

5 Sec. 14-103.40. Tier I employee. "Tier I employee": An  
6 employee under this Article who first became a member or  
7 participant before January 1, 2011 under any reciprocal  
8 retirement system or pension fund established under this Code  
9 other than a retirement system or pension fund established  
10 under Article 2, 3, 4, 5, 6, or 18 of this Code.

11 (40 ILCS 5/14-103.41 new)

12 Sec. 14-103.41. Tier II employee. "Tier II employee": An  
13 employee under this Article to whom Section 1-160 applies.

14 (40 ILCS 5/14-103.42 new)

15 Sec. 14-103.42. Traditional benefit package. "Traditional  
16 benefit package" means the defined benefit retirement program  
17 maintained by the System, which includes retirement annuities  
18 payable directly from the System, as provided in Sections  
19 14-107, 14-108, 14-108.3, 14-108.4, 14-109, 14-110, 14-112,  
20 14-113, 14-114, and 14-115; disability benefits payable under  
21 Sections 14-123, 14-123.1, 14-124, 14-125, 14-125.1, and  
22 14-126; death benefits payable directly from the System, as  
23 provided in Sections 14-116, 14-117, and 14-128; widow or

1 survivors annuities payable directly from the System, as  
2 provided in Sections 14-118, 14-119, 14-120, 14-121, 14-121.1,  
3 and 14-122; and contribution refunds, as provided in Section  
4 14-130. The traditional benefit package also includes any  
5 benefits determined under Section 1-160 with respect to service  
6 performed under this Article.

7 (40 ILCS 5/14-103.43 new)

8 Sec. 14-103.43. Self-managed plan. "Self-managed plan"  
9 means the defined contribution retirement program maintained  
10 under the System, as described in Section 14-133.2. The  
11 self-managed plan also includes disability benefits, as  
12 provided in Sections 14-123, 14-123.1, 14-124, 14-125,  
13 14-125.1, and 14-126. The self-managed plan does not include  
14 retirement annuities, death benefits, widow or survivors  
15 annuities payable directly from the System, as provided in  
16 Sections 14-107, 14-108, 14-108.3, 14-108.4, 14-109, 14-110,  
17 14-112, 14-113, 14-114, 14-115, 14-116, 14-117, 14-118,  
18 14-119, 14-120, 14-121, 14-121.1, 14-122, and 14-128 or refunds  
19 determined under Section 14-130.

20 (40 ILCS 5/14-106.5 new)

21 Sec. 14-106.5. Suspension of the accrual of benefits under  
22 the traditional benefit package.

23 (a) Notwithstanding any other provision of this Code, the  
24 retirement annuity of a member who satisfies, on the effective

1 date of the self-managed plan established under Section  
2 14-133.2, the service requirement for a retirement annuity  
3 under this Article and who retires on or after that date shall  
4 be calculated based on the service credit accrued under this  
5 Article prior to that date and the member's annual rate of  
6 compensation on that date.

7 However, notwithstanding any other provision of this Code,  
8 a member who does not, on the effective date of the  
9 self-managed plan established under Section 14-133.2, satisfy  
10 the service requirement for a retirement annuity under this  
11 Article shall not be entitled to a retirement annuity under  
12 this Article, but shall instead be eligible to have an initial  
13 account balance established in the self-managed plan in  
14 accordance with Section 14-133.2.

15 (b) Notwithstanding any other provision of this Code, if a  
16 member or any other person is eligible for a benefit in the  
17 traditional benefit package, other than a retirement annuity,  
18 on the effective date of the self-managed plan established  
19 under Section 14-133.2, then he or she shall continue to be  
20 eligible for that benefit while he or she continues to meet all  
21 otherwise applicable eligibility requirements.

22 However, notwithstanding any other provision of this Code,  
23 if a member or other person is ineligible for a benefit in the  
24 traditional benefit package, other than a retirement annuity,  
25 on the effective date of the self-managed plan established  
26 under Section 14-133.2, then he or she shall remain ineligible

1 for that benefit on and after the effective date of this  
2 Section.

3 (40 ILCS 5/14-107) (from Ch. 108 1/2, par. 14-107)

4 Sec. 14-107. Retirement annuity - service and age -  
5 conditions. A member is entitled to a retirement annuity after  
6 having at least 8 years of creditable service.

7 A member who has at least 35 years of creditable service  
8 may claim his or her retirement annuity at any age. A member  
9 having at least 8 years of creditable service but less than 35  
10 may claim his or her retirement annuity upon or after  
11 attainment of age 60 or, beginning January 1, 2001, any lesser  
12 age which, when added to the number of years of his or her  
13 creditable service, equals at least 85. A member upon or after  
14 attainment of age 55 having at least 25 years of creditable  
15 service (30 years if retirement is before January 1, 2001) may  
16 elect to receive the lower retirement annuity provided in  
17 paragraph (c) of Section 14-108 of this Code. For purposes of  
18 the rule of 85, portions of years shall be counted in whole  
19 months.

20 Notwithstanding any other provision of this Code,  
21 beginning on the effective date of this amendatory Act of the  
22 98th General Assembly, a member shall not, regardless of the  
23 amount of accrued service credit, be entitled to a retirement  
24 annuity until he or she has attained age 62, except as provided  
25 in Section 14-110 and subsection (g) of Section 1-160.

1           The allowance shall begin with the first full calendar  
2 month specified in the member's application therefor, the first  
3 day of which shall not be before the date of withdrawal as  
4 approved by the board. Regardless of the date of withdrawal,  
5 the allowance need not begin within one year of application  
6 therefor.

7           (Source: P.A. 91-927, eff. 12-14-00.)

8           (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

9           Sec. 14-110. Alternative retirement annuity.

10           (a) Any member who has withdrawn from service with not less  
11 than 20 years of eligible creditable service and has attained  
12 age 55, and any member who has withdrawn from service with not  
13 less than 25 years of eligible creditable service and has  
14 attained age 50, regardless of whether the attainment of either  
15 of the specified ages occurs while the member is still in  
16 service, shall, upon payment of the amount specified in  
17 subsection (o), be entitled to receive at the option of the  
18 member, in lieu of the regular or minimum retirement annuity, a  
19 retirement annuity computed as follows:

20           (i) for periods of service as a noncovered employee: if  
21 retirement occurs on or after January 1, 2001, 3% of final  
22 average compensation for each year of creditable service;  
23 if retirement occurs before January 1, 2001, 2 1/4% of  
24 final average compensation for each of the first 10 years  
25 of creditable service, 2 1/2% for each year above 10 years

1 to and including 20 years of creditable service, and 2 3/4%  
2 for each year of creditable service above 20 years; and

3 (ii) for periods of eligible creditable service as a  
4 covered employee: if retirement occurs on or after January  
5 1, 2001, 2.5% of final average compensation for each year  
6 of creditable service; if retirement occurs before January  
7 1, 2001, 1.67% of final average compensation for each of  
8 the first 10 years of such service, 1.90% for each of the  
9 next 10 years of such service, 2.10% for each year of such  
10 service in excess of 20 but not exceeding 30, and 2.30% for  
11 each year in excess of 30.

12 Such annuity shall be subject to a maximum of 75% of final  
13 average compensation if retirement occurs before January 1,  
14 2001 or to a maximum of 80% of final average compensation if  
15 retirement occurs on or after January 1, 2001.

16 These rates shall not be applicable to any service  
17 performed by a member as a covered employee which is not  
18 eligible creditable service. Service as a covered employee  
19 which is not eligible creditable service shall be subject to  
20 the rates and provisions of Section 14-108.

21 (b) For the purpose of this Section, prior to the effective  
22 date of this amendatory Act of the 98th General Assembly,  
23 "eligible creditable service" means creditable service  
24 resulting from service in one or more of the following  
25 positions:

26 (1) State policeman;

1           (2) fire fighter in the fire protection service of a  
2 department;

3           (3) air pilot;

4           (4) special agent;

5           (5) investigator for the Secretary of State;

6           (6) conservation police officer;

7           (7) investigator for the Department of Revenue or the  
8 Illinois Gaming Board;

9           (8) security employee of the Department of Human  
10 Services;

11           (9) Central Management Services security police  
12 officer;

13           (10) security employee of the Department of  
14 Corrections or the Department of Juvenile Justice;

15           (11) dangerous drugs investigator;

16           (12) investigator for the Department of State Police;

17           (13) investigator for the Office of the Attorney  
18 General;

19           (14) controlled substance inspector;

20           (15) investigator for the Office of the State's  
21 Attorneys Appellate Prosecutor;

22           (16) Commerce Commission police officer;

23           (17) arson investigator;

24           (18) State highway maintenance worker.

25           A person employed in one of the positions specified in this  
26 subsection is entitled to eligible creditable service for

1 service credit earned under this Article while undergoing the  
2 basic police training course approved by the Illinois Law  
3 Enforcement Training Standards Board, if completion of that  
4 training is required of persons serving in that position. For  
5 the purposes of this Code, service during the required basic  
6 police training course shall be deemed performance of the  
7 duties of the specified position, even though the person is not  
8 a sworn peace officer at the time of the training.

9 (b-1) For the purpose of this Section, on and after the  
10 effective date of this amendatory Act of the 98th General  
11 Assembly, "eligible creditable service" means creditable  
12 service resulting from service in one or more of the following  
13 positions:

14 (1) State policeman;

15 (2) special agent;

16 (3) security employee of the Department of  
17 Corrections;

18 (4) investigator for the Department of State Police.

19 (c) For the purposes of this Section:

20 (1) The term "state policeman" includes any title or  
21 position in the Department of State Police that is held by  
22 an individual employed under the State Police Act.

23 (2) The term "fire fighter in the fire protection  
24 service of a department" includes all officers in such fire  
25 protection service including fire chiefs and assistant  
26 fire chiefs.

1           (3) The term "air pilot" includes any employee whose  
2           official job description on file in the Department of  
3           Central Management Services, or in the department by which  
4           he is employed if that department is not covered by the  
5           Personnel Code, states that his principal duty is the  
6           operation of aircraft, and who possesses a pilot's license;  
7           however, the change in this definition made by this  
8           amendatory Act of 1983 shall not operate to exclude any  
9           noncovered employee who was an "air pilot" for the purposes  
10          of this Section on January 1, 1984.

11          (4) The term "special agent" means any person who by  
12          reason of employment by the Division of Narcotic Control,  
13          the Bureau of Investigation or, after July 1, 1977, the  
14          Division of Criminal Investigation, the Division of  
15          Internal Investigation, the Division of Operations, or any  
16          other Division or organizational entity in the Department  
17          of State Police is vested by law with duties to maintain  
18          public order, investigate violations of the criminal law of  
19          this State, enforce the laws of this State, make arrests  
20          and recover property. The term "special agent" includes any  
21          title or position in the Department of State Police that is  
22          held by an individual employed under the State Police Act.

23          (5) The term "investigator for the Secretary of State"  
24          means any person employed by the Office of the Secretary of  
25          State and vested with such investigative duties as render  
26          him ineligible for coverage under the Social Security Act

1 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
2 218(1)(1) of that Act.

3 A person who became employed as an investigator for the  
4 Secretary of State between January 1, 1967 and December 31,  
5 1975, and who has served as such until attainment of age  
6 60, either continuously or with a single break in service  
7 of not more than 3 years duration, which break terminated  
8 before January 1, 1976, shall be entitled to have his  
9 retirement annuity calculated in accordance with  
10 subsection (a), notwithstanding that he has less than 20  
11 years of credit for such service.

12 (6) The term "Conservation Police Officer" means any  
13 person employed by the Division of Law Enforcement of the  
14 Department of Natural Resources and vested with such law  
15 enforcement duties as render him ineligible for coverage  
16 under the Social Security Act by reason of Sections  
17 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The  
18 term "Conservation Police Officer" includes the positions  
19 of Chief Conservation Police Administrator and Assistant  
20 Conservation Police Administrator.

21 (7) The term "investigator for the Department of  
22 Revenue" means any person employed by the Department of  
23 Revenue and vested with such investigative duties as render  
24 him ineligible for coverage under the Social Security Act  
25 by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and  
26 218(1)(1) of that Act.

1           The term "investigator for the Illinois Gaming Board"  
2 means any person employed as such by the Illinois Gaming  
3 Board and vested with such peace officer duties as render  
4 the person ineligible for coverage under the Social  
5 Security Act by reason of Sections 218(d)(5)(A),  
6 218(d)(8)(D), and 218(1)(1) of that Act.

7           (8) The term "security employee of the Department of  
8 Human Services" means any person employed by the Department  
9 of Human Services who (i) is employed at the Chester Mental  
10 Health Center and has daily contact with the residents  
11 thereof, (ii) is employed within a security unit at a  
12 facility operated by the Department and has daily contact  
13 with the residents of the security unit, (iii) is employed  
14 at a facility operated by the Department that includes a  
15 security unit and is regularly scheduled to work at least  
16 50% of his or her working hours within that security unit,  
17 or (iv) is a mental health police officer. "Mental health  
18 police officer" means any person employed by the Department  
19 of Human Services in a position pertaining to the  
20 Department's mental health and developmental disabilities  
21 functions who is vested with such law enforcement duties as  
22 render the person ineligible for coverage under the Social  
23 Security Act by reason of Sections 218(d)(5)(A),  
24 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"  
25 means that portion of a facility that is devoted to the  
26 care, containment, and treatment of persons committed to

1 the Department of Human Services as sexually violent  
2 persons, persons unfit to stand trial, or persons not  
3 guilty by reason of insanity. With respect to past  
4 employment, references to the Department of Human Services  
5 include its predecessor, the Department of Mental Health  
6 and Developmental Disabilities.

7 The changes made to this subdivision (c)(8) by Public  
8 Act 92-14 apply to persons who retire on or after January  
9 1, 2001, notwithstanding Section 1-103.1.

10 (9) "Central Management Services security police  
11 officer" means any person employed by the Department of  
12 Central Management Services who is vested with such law  
13 enforcement duties as render him ineligible for coverage  
14 under the Social Security Act by reason of Sections  
15 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

16 (10) For a member who first became an employee under  
17 this Article before July 1, 2005, the term "security  
18 employee of the Department of Corrections or the Department  
19 of Juvenile Justice" means any employee of the Department  
20 of Corrections or the Department of Juvenile Justice or the  
21 former Department of Personnel, and any member or employee  
22 of the Prisoner Review Board, who has daily contact with  
23 inmates or youth by working within a correctional facility  
24 or Juvenile facility operated by the Department of Juvenile  
25 Justice or who is a parole officer or an employee who has  
26 direct contact with committed persons in the performance of

1 his or her job duties. For a member who first becomes an  
2 employee under this Article on or after July 1, 2005, the  
3 term means an employee of the Department of Corrections or  
4 the Department of Juvenile Justice who is any of the  
5 following: (i) officially headquartered at a correctional  
6 facility or Juvenile facility operated by the Department of  
7 Juvenile Justice, (ii) a parole officer, (iii) a member of  
8 the apprehension unit, (iv) a member of the intelligence  
9 unit, (v) a member of the sort team, or (vi) an  
10 investigator.

11 (11) The term "dangerous drugs investigator" means any  
12 person who is employed as such by the Department of Human  
13 Services.

14 (12) The term "investigator for the Department of State  
15 Police" means a person employed by the Department of State  
16 Police who is vested under Section 4 of the Narcotic  
17 Control Division Abolition Act with such law enforcement  
18 powers as render him ineligible for coverage under the  
19 Social Security Act by reason of Sections 218(d)(5)(A),  
20 218(d)(8)(D) and 218(1)(1) of that Act.

21 (13) "Investigator for the Office of the Attorney  
22 General" means any person who is employed as such by the  
23 Office of the Attorney General and is vested with such  
24 investigative duties as render him ineligible for coverage  
25 under the Social Security Act by reason of Sections  
26 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For

1 the period before January 1, 1989, the term includes all  
2 persons who were employed as investigators by the Office of  
3 the Attorney General, without regard to social security  
4 status.

5 (14) "Controlled substance inspector" means any person  
6 who is employed as such by the Department of Professional  
7 Regulation and is vested with such law enforcement duties  
8 as render him ineligible for coverage under the Social  
9 Security Act by reason of Sections 218(d)(5)(A),  
10 218(d)(8)(D) and 218(1)(1) of that Act. The term  
11 "controlled substance inspector" includes the Program  
12 Executive of Enforcement and the Assistant Program  
13 Executive of Enforcement.

14 (15) The term "investigator for the Office of the  
15 State's Attorneys Appellate Prosecutor" means a person  
16 employed in that capacity on a full time basis under the  
17 authority of Section 7.06 of the State's Attorneys  
18 Appellate Prosecutor's Act.

19 (16) "Commerce Commission police officer" means any  
20 person employed by the Illinois Commerce Commission who is  
21 vested with such law enforcement duties as render him  
22 ineligible for coverage under the Social Security Act by  
23 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and  
24 218(1)(1) of that Act.

25 (17) "Arson investigator" means any person who is  
26 employed as such by the Office of the State Fire Marshal

1 and is vested with such law enforcement duties as render  
2 the person ineligible for coverage under the Social  
3 Security Act by reason of Sections 218(d)(5)(A),  
4 218(d)(8)(D), and 218(1)(1) of that Act. A person who was  
5 employed as an arson investigator on January 1, 1995 and is  
6 no longer in service but not yet receiving a retirement  
7 annuity may convert his or her creditable service for  
8 employment as an arson investigator into eligible  
9 creditable service by paying to the System the difference  
10 between the employee contributions actually paid for that  
11 service and the amounts that would have been contributed if  
12 the applicant were contributing at the rate applicable to  
13 persons with the same social security status earning  
14 eligible creditable service on the date of application.

15 (18) The term "State highway maintenance worker" means  
16 a person who is either of the following:

17 (i) A person employed on a full-time basis by the  
18 Illinois Department of Transportation in the position  
19 of highway maintainer, highway maintenance lead  
20 worker, highway maintenance lead/lead worker, heavy  
21 construction equipment operator, power shovel  
22 operator, or bridge mechanic; and whose principal  
23 responsibility is to perform, on the roadway, the  
24 actual maintenance necessary to keep the highways that  
25 form a part of the State highway system in serviceable  
26 condition for vehicular traffic.

1           (ii) A person employed on a full-time basis by the  
2           Illinois State Toll Highway Authority in the position  
3           of equipment operator/laborer H-4, equipment  
4           operator/laborer H-6, welder H-4, welder H-6,  
5           mechanical/electrical H-4, mechanical/electrical H-6,  
6           water/sewer H-4, water/sewer H-6, sign maker/hanger  
7           H-4, sign maker/hanger H-6, roadway lighting H-4,  
8           roadway lighting H-6, structural H-4, structural H-6,  
9           painter H-4, or painter H-6; and whose principal  
10          responsibility is to perform, on the roadway, the  
11          actual maintenance necessary to keep the Authority's  
12          tollways in serviceable condition for vehicular  
13          traffic.

14          (d) A security employee of the Department of Corrections or  
15          the Department of Juvenile Justice, and a security employee of  
16          the Department of Human Services who is not a mental health  
17          police officer, shall not be eligible for the alternative  
18          retirement annuity provided by this Section unless he or she  
19          meets the following minimum age and service requirements at the  
20          time of retirement:

21               (i) 25 years of eligible creditable service and age 55;

22          or

23               (ii) beginning January 1, 1987, 25 years of eligible  
24          creditable service and age 54, or 24 years of eligible  
25          creditable service and age 55; or

26               (iii) beginning January 1, 1988, 25 years of eligible

1           creditable service and age 53, or 23 years of eligible  
2           creditable service and age 55; or

3           (iv) beginning January 1, 1989, 25 years of eligible  
4           creditable service and age 52, or 22 years of eligible  
5           creditable service and age 55; or

6           (v) beginning January 1, 1990, 25 years of eligible  
7           creditable service and age 51, or 21 years of eligible  
8           creditable service and age 55; or

9           (vi) beginning January 1, 1991, 25 years of eligible  
10          creditable service and age 50, or 20 years of eligible  
11          creditable service and age 55.

12          Persons who have service credit under Article 16 of this  
13          Code for service as a security employee of the Department of  
14          Corrections or the Department of Juvenile Justice, or the  
15          Department of Human Services in a position requiring  
16          certification as a teacher may count such service toward  
17          establishing their eligibility under the service requirements  
18          of this Section; but such service may be used only for  
19          establishing such eligibility, and not for the purpose of  
20          increasing or calculating any benefit.

21          (e) If a member enters military service while working in a  
22          position in which eligible creditable service may be earned,  
23          and returns to State service in the same or another such  
24          position, and fulfills in all other respects the conditions  
25          prescribed in this Article for credit for military service,  
26          such military service shall be credited as eligible creditable

1 service for the purposes of the retirement annuity prescribed  
2 in this Section.

3 (f) For purposes of calculating retirement annuities under  
4 this Section, periods of service rendered after December 31,  
5 1968 and before October 1, 1975 as a covered employee in the  
6 position of special agent, conservation police officer, mental  
7 health police officer, or investigator for the Secretary of  
8 State, shall be deemed to have been service as a noncovered  
9 employee, provided that the employee pays to the System prior  
10 to retirement an amount equal to (1) the difference between the  
11 employee contributions that would have been required for such  
12 service as a noncovered employee, and the amount of employee  
13 contributions actually paid, plus (2) if payment is made after  
14 July 31, 1987, regular interest on the amount specified in item  
15 (1) from the date of service to the date of payment.

16 For purposes of calculating retirement annuities under  
17 this Section, periods of service rendered after December 31,  
18 1968 and before January 1, 1982 as a covered employee in the  
19 position of investigator for the Department of Revenue shall be  
20 deemed to have been service as a noncovered employee, provided  
21 that the employee pays to the System prior to retirement an  
22 amount equal to (1) the difference between the employee  
23 contributions that would have been required for such service as  
24 a noncovered employee, and the amount of employee contributions  
25 actually paid, plus (2) if payment is made after January 1,  
26 1990, regular interest on the amount specified in item (1) from

1 the date of service to the date of payment.

2 (g) A State policeman may elect, not later than January 1,  
3 1990, to establish eligible creditable service for up to 10  
4 years of his service as a policeman under Article 3, by filing  
5 a written election with the Board, accompanied by payment of an  
6 amount to be determined by the Board, equal to (i) the  
7 difference between the amount of employee and employer  
8 contributions transferred to the System under Section 3-110.5,  
9 and the amounts that would have been contributed had such  
10 contributions been made at the rates applicable to State  
11 policemen, plus (ii) interest thereon at the effective rate for  
12 each year, compounded annually, from the date of service to the  
13 date of payment.

14 Subject to the limitation in subsection (i), a State  
15 policeman may elect, not later than July 1, 1993, to establish  
16 eligible creditable service for up to 10 years of his service  
17 as a member of the County Police Department under Article 9, by  
18 filing a written election with the Board, accompanied by  
19 payment of an amount to be determined by the Board, equal to  
20 (i) the difference between the amount of employee and employer  
21 contributions transferred to the System under Section 9-121.10  
22 and the amounts that would have been contributed had those  
23 contributions been made at the rates applicable to State  
24 policemen, plus (ii) interest thereon at the effective rate for  
25 each year, compounded annually, from the date of service to the  
26 date of payment.

1           (h) Subject to the limitation in subsection (i), a State  
2 policeman or investigator for the Secretary of State may elect  
3 to establish eligible creditable service for up to 12 years of  
4 his service as a policeman under Article 5, by filing a written  
5 election with the Board on or before January 31, 1992, and  
6 paying to the System by January 31, 1994 an amount to be  
7 determined by the Board, equal to (i) the difference between  
8 the amount of employee and employer contributions transferred  
9 to the System under Section 5-236, and the amounts that would  
10 have been contributed had such contributions been made at the  
11 rates applicable to State policemen, plus (ii) interest thereon  
12 at the effective rate for each year, compounded annually, from  
13 the date of service to the date of payment.

14           Subject to the limitation in subsection (i), a State  
15 policeman, conservation police officer, or investigator for  
16 the Secretary of State may elect to establish eligible  
17 creditable service for up to 10 years of service as a sheriff's  
18 law enforcement employee under Article 7, by filing a written  
19 election with the Board on or before January 31, 1993, and  
20 paying to the System by January 31, 1994 an amount to be  
21 determined by the Board, equal to (i) the difference between  
22 the amount of employee and employer contributions transferred  
23 to the System under Section 7-139.7, and the amounts that would  
24 have been contributed had such contributions been made at the  
25 rates applicable to State policemen, plus (ii) interest thereon  
26 at the effective rate for each year, compounded annually, from

1 the date of service to the date of payment.

2 Subject to the limitation in subsection (i), a State  
3 policeman, conservation police officer, or investigator for  
4 the Secretary of State may elect to establish eligible  
5 creditable service for up to 5 years of service as a police  
6 officer under Article 3, a policeman under Article 5, a  
7 sheriff's law enforcement employee under Article 7, a member of  
8 the county police department under Article 9, or a police  
9 officer under Article 15 by filing a written election with the  
10 Board and paying to the System an amount to be determined by  
11 the Board, equal to (i) the difference between the amount of  
12 employee and employer contributions transferred to the System  
13 under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4  
14 and the amounts that would have been contributed had such  
15 contributions been made at the rates applicable to State  
16 policemen, plus (ii) interest thereon at the effective rate for  
17 each year, compounded annually, from the date of service to the  
18 date of payment.

19 Subject to the limitation in subsection (i), an  
20 investigator for the Office of the Attorney General, or an  
21 investigator for the Department of Revenue, may elect to  
22 establish eligible creditable service for up to 5 years of  
23 service as a police officer under Article 3, a policeman under  
24 Article 5, a sheriff's law enforcement employee under Article  
25 7, or a member of the county police department under Article 9  
26 by filing a written election with the Board within 6 months

1 after August 25, 2009 (the effective date of Public Act 96-745)  
2 and paying to the System an amount to be determined by the  
3 Board, equal to (i) the difference between the amount of  
4 employee and employer contributions transferred to the System  
5 under Section 3-110.6, 5-236, 7-139.8, or 9-121.10 and the  
6 amounts that would have been contributed had such contributions  
7 been made at the rates applicable to State policemen, plus (ii)  
8 interest thereon at the actuarially assumed rate for each year,  
9 compounded annually, from the date of service to the date of  
10 payment.

11 Subject to the limitation in subsection (i), a State  
12 policeman, conservation police officer, investigator for the  
13 Office of the Attorney General, an investigator for the  
14 Department of Revenue, or investigator for the Secretary of  
15 State may elect to establish eligible creditable service for up  
16 to 5 years of service as a person employed by a participating  
17 municipality to perform police duties, or law enforcement  
18 officer employed on a full-time basis by a forest preserve  
19 district under Article 7, a county corrections officer, or a  
20 court services officer under Article 9, by filing a written  
21 election with the Board within 6 months after August 25, 2009  
22 (the effective date of Public Act 96-745) and paying to the  
23 System an amount to be determined by the Board, equal to (i)  
24 the difference between the amount of employee and employer  
25 contributions transferred to the System under Sections 7-139.8  
26 and 9-121.10 and the amounts that would have been contributed

1 had such contributions been made at the rates applicable to  
2 State policemen, plus (ii) interest thereon at the actuarially  
3 assumed rate for each year, compounded annually, from the date  
4 of service to the date of payment.

5 (i) The total amount of eligible creditable service  
6 established by any person under subsections (g), (h), (j), (k),  
7 and (l) of this Section shall not exceed 12 years.

8 (j) Subject to the limitation in subsection (i), an  
9 investigator for the Office of the State's Attorneys Appellate  
10 Prosecutor or a controlled substance inspector may elect to  
11 establish eligible creditable service for up to 10 years of his  
12 service as a policeman under Article 3 or a sheriff's law  
13 enforcement employee under Article 7, by filing a written  
14 election with the Board, accompanied by payment of an amount to  
15 be determined by the Board, equal to (1) the difference between  
16 the amount of employee and employer contributions transferred  
17 to the System under Section 3-110.6 or 7-139.8, and the amounts  
18 that would have been contributed had such contributions been  
19 made at the rates applicable to State policemen, plus (2)  
20 interest thereon at the effective rate for each year,  
21 compounded annually, from the date of service to the date of  
22 payment.

23 (k) Subject to the limitation in subsection (i) of this  
24 Section, an alternative formula employee may elect to establish  
25 eligible creditable service for periods spent as a full-time  
26 law enforcement officer or full-time corrections officer

1 employed by the federal government or by a state or local  
2 government located outside of Illinois, for which credit is not  
3 held in any other public employee pension fund or retirement  
4 system. To obtain this credit, the applicant must file a  
5 written application with the Board by March 31, 1998,  
6 accompanied by evidence of eligibility acceptable to the Board  
7 and payment of an amount to be determined by the Board, equal  
8 to (1) employee contributions for the credit being established,  
9 based upon the applicant's salary on the first day as an  
10 alternative formula employee after the employment for which  
11 credit is being established and the rates then applicable to  
12 alternative formula employees, plus (2) an amount determined by  
13 the Board to be the employer's normal cost of the benefits  
14 accrued for the credit being established, plus (3) regular  
15 interest on the amounts in items (1) and (2) from the first day  
16 as an alternative formula employee after the employment for  
17 which credit is being established to the date of payment.

18 (1) Subject to the limitation in subsection (i), a security  
19 employee of the Department of Corrections may elect, not later  
20 than July 1, 1998, to establish eligible creditable service for  
21 up to 10 years of his or her service as a policeman under  
22 Article 3, by filing a written election with the Board,  
23 accompanied by payment of an amount to be determined by the  
24 Board, equal to (i) the difference between the amount of  
25 employee and employer contributions transferred to the System  
26 under Section 3-110.5, and the amounts that would have been

1 contributed had such contributions been made at the rates  
2 applicable to security employees of the Department of  
3 Corrections, plus (ii) interest thereon at the effective rate  
4 for each year, compounded annually, from the date of service to  
5 the date of payment.

6 (m) The amendatory changes to this Section made by this  
7 amendatory Act of the 94th General Assembly apply only to: (1)  
8 security employees of the Department of Juvenile Justice  
9 employed by the Department of Corrections before the effective  
10 date of this amendatory Act of the 94th General Assembly and  
11 transferred to the Department of Juvenile Justice by this  
12 amendatory Act of the 94th General Assembly; and (2) persons  
13 employed by the Department of Juvenile Justice on or after the  
14 effective date of this amendatory Act of the 94th General  
15 Assembly who are required by subsection (b) of Section 3-2.5-15  
16 of the Unified Code of Corrections to have a bachelor's or  
17 advanced degree from an accredited college or university with a  
18 specialization in criminal justice, education, psychology,  
19 social work, or a closely related social science or, in the  
20 case of persons who provide vocational training, who are  
21 required to have adequate knowledge in the skill for which they  
22 are providing the vocational training.

23 (n) A person employed in a position under subsection (b) of  
24 this Section who has purchased service credit under subsection  
25 (j) of Section 14-104 or subsection (b) of Section 14-105 in  
26 any other capacity under this Article may convert up to 5 years

1 of that service credit into service credit covered under this  
2 Section by paying to the Fund an amount equal to (1) the  
3 additional employee contribution required under Section  
4 14-133, plus (2) the additional employer contribution required  
5 under Section 14-131, plus (3) interest on items (1) and (2) at  
6 the actuarially assumed rate from the date of the service to  
7 the date of payment.

8 (o) Any member who applies to the System for an alternative  
9 retirement annuity under this Section on or after the effective  
10 date of this subsection (o) shall, at the time of applying for  
11 that annuity, make a one-time payment to the System in an  
12 amount, to be determined by the Board, that is equal to:

13 (1) in the case of Tier I employees,

14 (A) the employee contributions that would be due  
15 under Section 14-133 in each of the next 7 years if the  
16 member remained employed during those years in the  
17 position that he or she held on the date of application  
18 for the alternative retirement annuity and earned an  
19 annual salary in each of those years in an amount equal  
20 to the annual salary that he or she earned on the date  
21 of application for the alternative retirement annuity,  
22 plus

23 (B) the amount of employer contributions that  
24 would be due for that employee under Section 14-131 in  
25 each of the next 7 years, as estimated by the Board,  
26 plus

1           (C) interest on items (A) and (B) at the  
2           actuarially assumed rate; and

3           (2) in the case of Tier II employees,

4           (A) the employee contributions that would be due  
5           under Section 14-133 in each of the next 2 years if the  
6           member remained employed during those years in the  
7           position that he or she held on the date of application  
8           for the alternative retirement annuity and earned an  
9           annual salary in each of those years in an amount equal  
10           to the annual salary that he or she earned on the date  
11           of application for the alternative retirement annuity,  
12           plus

13           (B) the amount of employer contributions that  
14           would be due for that employee under Section 14-131 in  
15           each of the next 2 years, as estimated by the Board,  
16           plus

17           (C) interest on items (A) and (B) at the  
18           actuarially assumed rate.

19        (Source: P.A. 95-530, eff. 8-28-07; 95-1036, eff. 2-17-09;  
20        96-37, eff. 7-13-09; 96-745, eff. 8-25-09; 96-1000, eff.  
21        7-2-10.)

22           (40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

23           Sec. 14-114. Automatic increase in retirement annuity.

24           (a) Any person receiving a retirement annuity under this  
25        Article who retires having attained age 60, or who retires

1 before age 60 having at least 35 years of creditable service,  
2 or who retires on or after January 1, 2001 at an age which,  
3 when added to the number of years of his or her creditable  
4 service, equals at least 85, shall, on January 1 next following  
5 the first full year of retirement, have the amount of the then  
6 fixed and payable monthly retirement annuity increased 3%. Any  
7 person receiving a retirement annuity under this Article who  
8 retires before attainment of age 60 and with less than (i) 35  
9 years of creditable service if retirement is before January 1,  
10 2001, or (ii) the number of years of creditable service which,  
11 when added to the member's age, would equal 85, if retirement  
12 is on or after January 1, 2001, shall have the amount of the  
13 fixed and payable retirement annuity increased by 3% on the  
14 January 1 occurring on or next following (1) attainment of age  
15 60, or (2) the first anniversary of retirement, whichever  
16 occurs later. However, for persons who receive the alternative  
17 retirement annuity under Section 14-110, references in this  
18 subsection (a) to attainment of age 60 shall be deemed to refer  
19 to attainment of age 55. For a person receiving early  
20 retirement incentives under Section 14-108.3 whose retirement  
21 annuity began after January 1, 1992 pursuant to an extension  
22 granted under subsection (e) of that Section, the first  
23 anniversary of retirement shall be deemed to be January 1,  
24 1993. For a person who retires on or after June 28, 2001 and on  
25 or before October 1, 2001, and whose retirement annuity is  
26 calculated, in whole or in part, under Section 14-110 or

1 subsection (g) or (h) of Section 14-108, the first anniversary  
2 of retirement shall be deemed to be January 1, 2002.

3 On each January 1 following the date of the initial  
4 increase under this subsection, the employee's monthly  
5 retirement annuity shall be increased by an additional 3%.

6 Beginning January 1, 1990, all automatic annual increases  
7 payable under this Section shall be calculated as a percentage  
8 of the total annuity payable at the time of the increase,  
9 including previous increases granted under this Article.

10 (b) The provisions of subsection (a) of this Section shall  
11 be applicable to an employee only if the employee makes the  
12 additional contributions required after December 31, 1969 for  
13 the purpose of the automatic increases for not less than the  
14 equivalent of one full year. If an employee becomes an  
15 annuitant before his additional contributions equal one full  
16 year's contributions based on his salary at the date of  
17 retirement, the employee may pay the necessary balance of the  
18 contributions to the system, without interest, and be eligible  
19 for the increasing annuity authorized by this Section.

20 (c) The provisions of subsection (a) of this Section shall  
21 not be applicable to any annuitant who is on retirement on  
22 December 31, 1969, and thereafter returns to State service,  
23 unless the member has established at least one year of  
24 additional creditable service following reentry into service.

25 (d) In addition to other increases which may be provided by  
26 this Section, on January 1, 1981 any annuitant who was

1 receiving a retirement annuity on or before January 1, 1971  
2 shall have his retirement annuity then being paid increased \$1  
3 per month for each year of creditable service. On January 1,  
4 1982, any annuitant who began receiving a retirement annuity on  
5 or before January 1, 1977, shall have his retirement annuity  
6 then being paid increased \$1 per month for each year of  
7 creditable service.

8 On January 1, 1987, any annuitant who began receiving a  
9 retirement annuity on or before January 1, 1977, shall have the  
10 monthly retirement annuity increased by an amount equal to 8¢  
11 per year of creditable service times the number of years that  
12 have elapsed since the annuity began.

13 (e) Every person who receives the alternative retirement  
14 annuity under Section 14-110 and who is eligible to receive the  
15 3% increase under subsection (a) on January 1, 1986, shall also  
16 receive on that date a one-time increase in retirement annuity  
17 equal to the difference between (1) his actual retirement  
18 annuity on that date, including any increases received under  
19 subsection (a), and (2) the amount of retirement annuity he  
20 would have received on that date if the amendments to  
21 subsection (a) made by Public Act 84-162 had been in effect  
22 since the date of his retirement.

23 (f) Notwithstanding any other provision of this Code,  
24 except subsection (f-5) of this Section, beginning on the  
25 effective date of this amendatory Act of the 98th General  
26 Assembly, the monthly retirement annuity of an annuitant shall

1 first be subject to annual increases on the January 1 occurring  
2 on or next after either the attainment of age 67 or the January  
3 1 occurring on or next after the fifth anniversary of the  
4 annuity start date, whichever occurs earlier. If on the  
5 effective date of this amendatory Act of the 98th General  
6 Assembly an annuitant has already received an annual increase  
7 under this Section but is not eligible to receive an annual  
8 increase under this subsection, then the annual increases  
9 already received shall continue in force, but no additional  
10 annual increase shall be granted until the annuitant meets the  
11 new eligibility requirements.

12 (f-5) Notwithstanding subsection (f), no annual increase  
13 shall be paid under this Section in a calendar year if, on  
14 January 1 of the preceding calendar year, the total assets of  
15 the System are less than 85% of the total actuarial liabilities  
16 of the System, as annually certified by the System.

17 (g) Notwithstanding any other provision of this Code,  
18 except subsection (f-5) of this Section, beginning on the  
19 effective date of this amendatory Act of the 98th General  
20 Assembly, the amount of each automatic annual increase in  
21 retirement annuity occurring on or after the effective date of  
22 this amendatory Act of the 98th General Assembly shall be 3% or  
23 one-half of the annual unadjusted percentage increase, if any,  
24 in the Consumer Price Index-U for the 12 months ending with the  
25 preceding September, whichever is less, of the originally  
26 granted retirement annuity. For the purposes of this Section,

1 "Consumer Price Index-U" means the index published by the  
2 Bureau of Labor Statistics of the United States Department of  
3 Labor that measures the average change in prices of goods and  
4 services purchased by all urban consumers, United States city  
5 average, all items, 1982-84 = 100.

6 (Source: P.A. 91-927, eff. 12-14-00; 92-14, eff. 6-28-01;  
7 92-651, eff. 7-11-02.)

8 (40 ILCS 5/14-133.2 new)

9 Sec. 14-133.2. Self-managed plan.

10 (a) The General Assembly finds that it is important for  
11 Illinois to be able to attract and retain the most qualified  
12 employees and that in order to attract and retain these  
13 employees, the State of Illinois should have the flexibility to  
14 provide a defined contribution (self-managed) plan for  
15 eligible employees. Accordingly, the State Employees  
16 Retirement System of Illinois is hereby required, within 6  
17 months after the effective date of this Section, to establish  
18 and administer a self-managed plan, which shall offer  
19 participating employees the opportunity to accumulate assets  
20 for retirement through a combination of employee and employer  
21 contributions that may be invested in mutual funds, collective  
22 investment funds, or other investment products and used to  
23 purchase annuity contracts, either fixed or variable or a  
24 combination of fixed and variable. The plan must be qualified  
25 under the Internal Revenue Code of 1986.

1       (b) The Board shall adopt the self-managed plan established  
2 under this Section for any person who is a member under this  
3 Article.

4       The State Employees Retirement System of Illinois shall be  
5 the plan sponsor for the self-managed plan and shall prepare a  
6 plan document and adopt such rules and procedures as are  
7 considered necessary or desirable for the administration of the  
8 self-managed plan. Consistent with its fiduciary duty to the  
9 participants and beneficiaries of the self-managed plan, the  
10 Board of Trustees of the System may delegate aspects of plan  
11 administration as it sees fit to companies authorized to do  
12 business in this State.

13       (c) The System shall solicit proposals to provide  
14 administrative services and funding vehicles for the  
15 self-managed plan from insurance and annuity companies and  
16 mutual fund companies, banks, trust companies, or other  
17 financial institutions authorized to do business in this State.  
18 In reviewing the proposals received and approving and  
19 contracting with no fewer than 2 and no more than 7 companies,  
20 the Board of Trustees of the System shall consider, among other  
21 things, the following criteria:

22           (1) the nature and extent of the benefits that would be  
23 provided to the participants;

24           (2) the reasonableness of the benefits in relation to  
25 the premium charged;

26           (3) the suitability of the benefits to the needs and

1 interests of the participating employees and the State;

2 (4) the ability of the company to provide benefits  
3 under the contract and the financial stability of the  
4 company; and

5 (5) the efficacy of the contract in the recruitment and  
6 retention of employees.

7 The System shall periodically review each approved  
8 company. A company may continue to provide administrative  
9 services and funding vehicles for the self-managed plan only so  
10 long as it continues to be an approved company under contract  
11 with the Board.

12 In addition to the companies approved by the System under  
13 this subsection (c), the System may offer its participants an  
14 investment fund managed by the System.

15 (d) Employees who are participating in the program must be  
16 allowed to direct the transfer of their account balances among  
17 the various investment options offered, subject to applicable  
18 contractual provisions. The participant shall not be deemed a  
19 fiduciary by reason of providing such investment direction. A  
20 person who is a fiduciary shall not be liable for any loss  
21 resulting from such investment direction and shall not be  
22 deemed to have breached any fiduciary duty by acting in  
23 accordance with that direction. Neither the System nor the  
24 employer shall guarantee any of the investments in the  
25 employee's account balances.

26 (e) Notwithstanding any other provision of this Code,

1 beginning on the effective date of the self-managed plan  
2 established under this Section, each member shall participate  
3 in the self-managed plan with respect to service under this  
4 Article on and after that date, and a member's ability to  
5 accrue, on and after that date, additional benefits under the  
6 traditional benefit package is terminated.

7 A member who participates in the self-managed plan under  
8 this Section must continue participation while employed in an  
9 eligible position, and may not participate in the traditional  
10 benefit package administered by the System under this Article  
11 while employed by the State under this Article.

12 Participation in the self-managed plan under this Section  
13 shall constitute membership in the State Employees' Retirement  
14 System of Illinois.

15 A participant under this Section shall be entitled to the  
16 benefits of Article 20 of this Code.

17 (f) If a member has rights and credits in the System due to  
18 previous participation in the traditional benefit package but  
19 those credits are insufficient, on the effective date of the  
20 self-managed plan established under this Section, to satisfy  
21 the service requirement for a retirement annuity under this  
22 Article, then the System shall establish for the member an  
23 opening account balance in the self-managed plan, equal to (i)  
24 the amount of the contribution refund that the member would be  
25 eligible to receive under Section 14-130 if the employee  
26 terminated employment on that date and elected a refund of

1 contributions, plus (ii) an amount equal to the regular  
2 employer contribution that would be required to fund the actual  
3 regular cost incurred for each year of service credit earned,  
4 provided that the total opening account balance does not exceed  
5 7.6% of that participant's salary for that year, plus interest.  
6 The interest used in this subsection (f) is calculated as the  
7 average annual rate of return that the System has earned over  
8 the past 20 fiscal years and is compounded. The System shall  
9 transfer assets from the traditional benefit package to the  
10 self-managed plan, as a tax-free transfer in accordance with  
11 Internal Revenue Service guidelines, for purposes of funding  
12 the member's opening account balance.

13 (g) Notwithstanding any other provision of this Article, a  
14 member may not purchase or receive service or service credit  
15 applicable to the traditional benefit package under this  
16 Article for any period during which the employee was a  
17 participant in the self-managed plan established under this  
18 Section.

19 (h) The self-managed plan shall be funded by contributions  
20 from employees participating in the self-managed plan and State  
21 contributions as provided in this Section.

22 The annual required contribution for employees  
23 participating in the self-managed plan shall be an amount equal  
24 to 6% of the employee's salary. This required contribution  
25 shall be made as an employer pick-up under Section 414(h) of  
26 the Internal Revenue Code of 1986 or any successor Section

1 thereof. Participants may make additional contributions to the  
2 self-managed plan in accordance with procedures prescribed by  
3 the System, to the extent permitted under rules adopted by the  
4 System.

5 The program shall provide for annual State contributions to  
6 be credited to the account of each employee who participates in  
7 the self-managed plan in an amount equal to 6% of the  
8 employee's compensation.

9 The System shall not be obligated to remit the required  
10 employer contributions to any of the insurance and annuity  
11 companies, mutual fund companies, banks, trust companies,  
12 financial institutions, or other sponsors of any of the funding  
13 vehicles offered under the self-managed plan until it has  
14 received the required employer contributions from the State. In  
15 the event of a deficiency in the amount of State contributions,  
16 the System shall implement any procedures to obtain the  
17 required funding from the General Revenue Fund.

18 (i) A participant in the self-managed plan becomes vested  
19 in the employer contributions credited to his or her accounts  
20 in the self-managed plan on the earliest to occur of the  
21 following: (1) completion of 5 years of service credit under  
22 this Article; (2) the death of the participating employee while  
23 employed by an employer under this Article, if the participant  
24 has completed at least 1.5 years of service; or (3) the  
25 participant's election to retire and apply the reciprocal  
26 provisions of Article 20 of this Code.

1       A participant in the self-managed plan who receives a  
2 distribution of his or her vested amounts from the self-managed  
3 plan while not yet eligible for retirement under this Article  
4 (and Article 20, if applicable) shall forfeit all service  
5 credit and accrued rights in the System; if subsequently  
6 re-employed, the participant shall be considered a new  
7 employee. If a former participant again becomes a participating  
8 employee (or becomes employed by a participating system under  
9 Article 20 of this Code) and continues as such for at least 2  
10 years, all rights, service credits, and previous status as a  
11 participant shall be restored upon repayment of the amount of  
12 the distribution, without interest.

13       (j) If an employee participating in the self-managed plan  
14 who is vested in employer contributions terminates employment,  
15 the employee shall be entitled to a benefit which is based on  
16 the account values attributable to both employer and employee  
17 contributions and any investment return thereon.

18       If an employee participating in the self-managed plan who  
19 is not vested in employer contributions terminates employment,  
20 the employee shall be entitled to a benefit based solely on the  
21 account values attributable to the employee's contributions  
22 and any investment return thereon, and the employer  
23 contributions and any investment return thereon shall be  
24 forfeited. Any employer contributions which are forfeited  
25 shall be held in escrow by the company investing those  
26 contributions and shall be used, as directed by the System, for

1 future allocations of employer contributions or for the  
2 restoration of amounts previously forfeited by former  
3 participants who again become participating employees.

4 (k) If a participant so requests, a distribution of funds  
5 from the self-managed plan may be paid in the form of a direct  
6 rollover to another qualified plan, to the extent allowed by  
7 federal law and in accordance with the rules of the System.

8 (40 ILCS 5/15-103.1)

9 Sec. 15-103.1. Traditional Benefit Package. "Traditional  
10 benefit package": The defined benefit retirement program  
11 maintained under the System which includes retirement  
12 annuities payable directly from the System as provided in  
13 Sections 15-135 through 15-140 (but disregarding Section  
14 15-136.4), disability retirement annuities payable under  
15 Section 15-153.2, death benefits payable directly from the  
16 System as provided in Sections 15-141 through 15-144, survivors  
17 insurance benefits payable directly from the System as provided  
18 in Sections 15-145 through 15-149, and contribution refunds as  
19 provided in Section 15-154. The traditional benefit package  
20 also includes disability benefits as provided in Sections  
21 15-150 through 15-153.3. The traditional benefit package also  
22 includes any benefits determined under Section 1-160 with  
23 respect to service performed under this Article.

24 (Source: P.A. 90-766, eff. 8-14-98.)

1 (40 ILCS 5/15-103.2)

2 Sec. 15-103.2. Portable Benefit Package. "Portable benefit  
3 package": The defined benefit retirement program maintained  
4 under the System which includes retirement annuities payable  
5 directly from the System as provided in Sections 15-135 through  
6 15-139 (specifically including Section 15-136.4), disability  
7 retirement annuities payable under Section 15-153.2, death  
8 benefits payable directly from the System as provided in  
9 Sections 15-141 through 15-144, and contribution refunds as  
10 provided in Section 15-154. The portable benefit package also  
11 includes disability benefits as provided in Sections 15-150  
12 through 15-153.3. The portable benefit package does not include  
13 the survivors insurance benefits payable directly from the  
14 System as provided in Sections 15-145 through 15-149. The  
15 traditional benefit package also includes any benefits  
16 determined under Section 1-160 with respect to service  
17 performed under this Article.

18 (Source: P.A. 90-766, eff. 8-14-98.)

19 (40 ILCS 5/15-107) (from Ch. 108 1/2, par. 15-107)

20 Sec. 15-107. Employee.

21 (a) "Employee" means any member of the educational,  
22 administrative, secretarial, clerical, mechanical, labor or  
23 other staff of an employer whose employment is permanent and  
24 continuous or who is employed in a position in which services  
25 are expected to be rendered on a continuous basis for at least

1 4 months or one academic term, whichever is less, who (A)  
2 receives payment for personal services on a warrant issued  
3 pursuant to a payroll voucher certified by an employer and  
4 drawn by the State Comptroller upon the State Treasurer or by  
5 an employer upon trust, federal or other funds, or (B) is on a  
6 leave of absence without pay. Employment which is irregular,  
7 intermittent or temporary shall not be considered continuous  
8 for purposes of this paragraph.

9 However, a person is not an "employee" if he or she:

10 (1) is a student enrolled in and regularly attending  
11 classes in a college or university which is an employer,  
12 and is employed on a temporary basis at less than full  
13 time;

14 (2) is currently receiving a retirement annuity or a  
15 disability retirement annuity under Section 15-153.2 from  
16 this System;

17 (3) is on a military leave of absence;

18 (4) is eligible to participate in the Federal Civil  
19 Service Retirement System and is currently making  
20 contributions to that system based upon earnings paid by an  
21 employer;

22 (5) is on leave of absence without pay for more than 60  
23 days immediately following termination of disability  
24 benefits under this Article;

25 (6) is hired after June 30, 1979 as a public service  
26 employment program participant under the Federal

1 Comprehensive Employment and Training Act and receives  
2 earnings in whole or in part from funds provided under that  
3 Act; or

4 (7) is employed on or after July 1, 1991 to perform  
5 services that are excluded by subdivision (a)(7)(f) or  
6 (a)(19) of Section 210 of the federal Social Security Act  
7 from the definition of employment given in that Section (42  
8 U.S.C. 410).

9 (b) Any employer may, by filing a written notice with the  
10 board, exclude from the definition of "employee" all persons  
11 employed pursuant to a federally funded contract entered into  
12 after July 1, 1982 with a federal military department in a  
13 program providing training in military courses to federal  
14 military personnel on a military site owned by the United  
15 States Government, if this exclusion is not prohibited by the  
16 federally funded contract or federal laws or rules governing  
17 the administration of the contract.

18 (c) Any person appointed by the Governor under the Civil  
19 Administrative Code of the State is an employee, if he or she  
20 is a participant in this system on the effective date of the  
21 appointment.

22 (d) A participant on lay-off status under civil service  
23 rules is considered an employee for not more than 120 days from  
24 the date of the lay-off.

25 (e) A participant is considered an employee during (1) the  
26 first 60 days of disability leave, (2) the period, not to

1 exceed one year, in which his or her eligibility for disability  
2 benefits is being considered by the board or reviewed by the  
3 courts, and (3) the period he or she receives disability  
4 benefits under the provisions of Section 15-152, workers'  
5 compensation or occupational disease benefits, or disability  
6 income under an insurance contract financed wholly or partially  
7 by the employer.

8 (f) Absences without pay, other than formal leaves of  
9 absence, of less than 30 calendar days, are not considered as  
10 an interruption of a person's status as an employee. If such  
11 absences during any period of 12 months exceed 30 work days,  
12 the employee status of the person is considered as interrupted  
13 as of the 31st work day.

14 (g) A staff member whose employment contract requires  
15 services during an academic term is to be considered an  
16 employee during the summer and other vacation periods, unless  
17 he or she declines an employment contract for the succeeding  
18 academic term or his or her employment status is otherwise  
19 terminated, and he or she receives no earnings during these  
20 periods.

21 (h) An individual who was a participating employee employed  
22 in the fire department of the University of Illinois's  
23 Champaign-Urbana campus immediately prior to the elimination  
24 of that fire department and who immediately after the  
25 elimination of that fire department became employed by the fire  
26 department of the City of Urbana or the City of Champaign shall

1 continue to be considered as an employee for purposes of this  
2 Article for so long as the individual remains employed as a  
3 firefighter by the City of Urbana or the City of Champaign. The  
4 individual shall cease to be considered an employee under this  
5 subsection (h) upon the first termination of the individual's  
6 employment as a firefighter by the City of Urbana or the City  
7 of Champaign.

8 (i) An individual who is employed on a full-time basis as  
9 an officer or employee of a statewide teacher organization that  
10 serves System participants or an officer of a national teacher  
11 organization that serves System participants may participate  
12 in the System and shall be deemed an employee, provided that  
13 (1) the individual has previously earned creditable service  
14 under this Article, (2) the individual files with the System an  
15 irrevocable election to become a participant before the  
16 effective date of this amendatory Act of the 97th General  
17 Assembly, (3) the individual does not receive credit for that  
18 employment under any other Article of this Code, and (4) the  
19 individual first became a full-time employee of the teacher  
20 organization and becomes a participant before the effective  
21 date of this amendatory Act of the 97th General Assembly. An  
22 employee under this subsection (i) is responsible for paying to  
23 the System both (A) employee contributions based on the actual  
24 compensation received for service with the teacher  
25 organization and (B) employer contributions equal to the normal  
26 costs (as defined in Section 15-155) resulting from that

1 service; all or any part of these contributions may be paid on  
2 the employee's behalf or picked up for tax purposes (if  
3 authorized under federal law) by the teacher organization.

4 A person who is an employee as defined in this subsection  
5 (i) may establish service credit for similar employment prior  
6 to becoming an employee under this subsection by paying to the  
7 System for that employment the contributions specified in this  
8 subsection, plus interest at the effective rate from the date  
9 of service to the date of payment. However, credit shall not be  
10 granted under this subsection for any such prior employment for  
11 which the applicant received credit under any other provision  
12 of this Code, or during which the applicant was on a leave of  
13 absence under Section 15-113.2.

14 (j) A person employed by the State Board of Higher  
15 Education in a position with the Illinois Century Network as of  
16 June 30, 2004 shall be considered to be an employee for so long  
17 as he or she remains continuously employed after that date by  
18 the Department of Central Management Services in a position  
19 with the Illinois Century Network, the Bureau of Communication  
20 and Computer Services, or, if applicable, any successor bureau  
21 and meets the requirements of subsection (a).

22 (k) Notwithstanding any provision of law to the contrary,  
23 an individual who begins employment with any of the following  
24 employers on or after the effective date of this amendatory Act  
25 of the 98th General Assembly shall not be deemed an employee  
26 and shall not be eligible to participate in the System with

1 respect to that employment: any association of community  
2 college boards organized under Section 3-55 of the Public  
3 Community College Act, the Association of Illinois  
4 Middle-Grade Schools, the Illinois Association of School  
5 Administrators, the Illinois Association for Supervision and  
6 Curriculum Development, the Illinois Principals Association,  
7 the Illinois Association of School Business Officials, or the  
8 Illinois Special Olympics; provided, however, that those  
9 individuals who are both employed and already participants in  
10 the System on the effective date of this amendatory Act of the  
11 98th General Assembly shall be allowed to continue as  
12 participants in the System for the duration of that employment.

13 (Source: P.A. 97-651, eff. 1-5-12.)

14 (40 ILCS 5/15-107.1 new)

15 Sec. 15-107.1. Tier I employee. "Tier I employee": An  
16 employee under this Article who first became a member or  
17 participant before January 1, 2011 under any reciprocal  
18 retirement system or pension fund established under this Code  
19 other than a retirement system or pension fund established  
20 under Article 2, 3, 4, 5, 6, or 18 of this Code.

21 (40 ILCS 5/15-111) (from Ch. 108 1/2, par. 15-111)

22 Sec. 15-111. Earnings. "Earnings": An amount paid for  
23 personal services equal to the sum of the basic compensation  
24 plus extra compensation for summer teaching, overtime or other

1 extra service. For periods for which an employee receives  
2 service credit under subsection (c) of Section 15-113.1 or  
3 Section 15-113.2, earnings are equal to the basic compensation  
4 on which contributions are paid by the employee during such  
5 periods. Compensation for employment which is irregular,  
6 intermittent and temporary shall not be considered earnings,  
7 unless the participant is also receiving earnings from the  
8 employer as an employee under Section 15-107.

9 With respect to transition pay paid by the University of  
10 Illinois to a person who was a participating employee employed  
11 in the fire department of the University of Illinois's  
12 Champaign-Urbana campus immediately prior to the elimination  
13 of that fire department:

14 (1) "Earnings" includes transition pay paid to the  
15 employee on or after the effective date of this amendatory  
16 Act of the 91st General Assembly.

17 (2) "Earnings" includes transition pay paid to the  
18 employee before the effective date of this amendatory Act  
19 of the 91st General Assembly only if (i) employee  
20 contributions under Section 15-157 have been withheld from  
21 that transition pay or (ii) the employee pays to the System  
22 before January 1, 2001 an amount representing employee  
23 contributions under Section 15-157 on that transition pay.  
24 Employee contributions under item (ii) may be paid in a  
25 lump sum, by withholding from additional transition pay  
26 accruing before January 1, 2001, or in any other manner

1 approved by the System. Upon payment of the employee  
2 contributions on transition pay, the corresponding  
3 employer contributions become an obligation of the State.

4 Notwithstanding any other provision of this Code, for  
5 periods of service on and after the effective date of this  
6 amendatory Act of the 98th General Assembly, "earnings" does  
7 not include any annual remuneration for personal services in an  
8 amount that is in excess of the annual contribution and benefit  
9 base established for the previous year by the Commissioner of  
10 Social Security pursuant to Section 230 of the federal Social  
11 Security Act.

12 (Source: P.A. 91-887, eff. 7-6-00.)

13 (40 ILCS 5/15-134.5)

14 Sec. 15-134.5. Retirement program elections.

15 (a) All participating employees are participants under the  
16 traditional benefit package prior to January 1, 1998.

17 Effective as of the date that an employer elects, as  
18 described in Section 15-158.2, to offer to its employees the  
19 portable benefit package and the self-managed plan as  
20 alternatives to the traditional benefit package, each of that  
21 employer's eligible employees (as defined in subsection (b))  
22 shall be given the choice to elect which retirement program he  
23 or she wishes to participate in with respect to all periods of  
24 covered employment occurring on and after the effective date of  
25 the employee's election. The retirement program election made

1 by an eligible employee must be made in writing, in the manner  
2 prescribed by the System, and within the time period described  
3 in subsection (d) or (d-1).

4 The employee election authorized by this Section is a  
5 one-time, irrevocable election. If an employee terminates  
6 employment after making the election provided under this  
7 subsection (a), then upon his or her subsequent re-employment  
8 with an employer the original election shall automatically  
9 apply to him or her, provided that the employer is then a  
10 participating employer as described in Section 15-158.2.

11 An eligible employee who fails to make this election shall,  
12 by default, participate in the traditional benefit package.

13 (b) "Eligible employee" means an employee (as defined in  
14 Section 15-107) who is either a currently eligible employee or  
15 a newly eligible employee. For purposes of this Section, a  
16 "currently eligible employee" is an employee who is employed by  
17 an employer on the effective date on which the employer offers  
18 to its employees the portable benefit package and the  
19 self-managed plan as alternatives to the traditional benefit  
20 package. A "newly eligible employee" is an employee who first  
21 becomes employed by an employer after the effective date on  
22 which the employer offers its employees the portable benefit  
23 package and the self-managed plan as alternatives to the  
24 traditional benefit package. A newly eligible employee  
25 participates in the traditional benefit package until he or she  
26 makes an election to participate in the portable benefit

1 package or the self-managed plan. If an employee does not elect  
2 to participate in the portable benefit package or the  
3 self-managed plan, he or she shall continue to participate in  
4 the traditional benefit package by default.

5 (c) An eligible employee who at the time he or she is first  
6 eligible to make the election described in subsection (a) does  
7 not have sufficient age and service to qualify for a retirement  
8 annuity under Section 15-135 may elect to participate in the  
9 traditional benefit package, the portable benefit package, or  
10 the self-managed plan. An eligible employee who has sufficient  
11 age and service to qualify for a retirement annuity under  
12 Section 15-135 at the time he or she is first eligible to make  
13 the election described in subsection (a) may elect to  
14 participate in the traditional benefit package or the portable  
15 benefit package, but may not elect to participate in the  
16 self-managed plan.

17 (d) A currently eligible employee must make this election  
18 within one year after the effective date of the employer's  
19 adoption of the self-managed plan.

20 A newly eligible employee must make this election within 6  
21 months after the date on which the System receives the report  
22 of status certification from the employer. If an employee  
23 elects to participate in the self-managed plan, no employer  
24 contributions shall be remitted to the self-managed plan when  
25 the employee's account balance transfer is made. Employer  
26 contributions to the self-managed plan shall commence as of the

1 first pay period that begins after the System receives the  
2 employee's election.

3 (d-1) A newly eligible employee who, prior to the effective  
4 date of this amendatory Act of the 91st General Assembly, fails  
5 to make the election within the period provided under  
6 subsection (d) and participates by default in the traditional  
7 benefit package may make a late election to participate in the  
8 portable benefit package or the self-managed plan instead of  
9 the traditional benefit package at any time within 6 months  
10 after the effective date of this amendatory Act of the 91st  
11 General Assembly.

12 (e) If a currently eligible employee elects the portable  
13 benefit package, that election shall not become effective until  
14 the one-year anniversary of the date on which the election is  
15 filed with the System, provided the employee remains  
16 continuously employed by the employer throughout the one-year  
17 waiting period, and any benefits payable to or on account of  
18 the employee before such one-year waiting period has ended  
19 shall not be determined under the provisions applicable to the  
20 portable benefit package but shall instead be determined in  
21 accordance with the traditional benefit package. If a currently  
22 eligible employee who has elected the portable benefit package  
23 terminates employment covered by the System before the one-year  
24 waiting period has ended, then no benefits shall be determined  
25 under the portable benefit package provisions while he or she  
26 is inactive in the System and upon re-employment with an

1 employer covered by the System he or she shall begin a new  
2 one-year waiting period before the provisions of the portable  
3 benefit package become effective.

4 (f) An eligible employee shall be provided with written  
5 information prepared or prescribed by the System which  
6 describes the employee's retirement program choices. The  
7 eligible employee shall be offered an opportunity to receive  
8 counseling from the System prior to making his or her election.  
9 This counseling may consist of videotaped materials, group  
10 presentations, individual consultation with an employee or  
11 authorized representative of the System in person or by  
12 telephone or other electronic means, or any combination of  
13 these methods.

14 (g) This Section applies only prior to the effective date  
15 of this amendatory Act of the 98th General Assembly. On and  
16 after that date, all participants in the System, other than  
17 annuitants, shall participate in the self-managed plan.

18 (Source: P.A. 90-766, eff. 8-14-98; 91-887, eff. 7-6-00.)

19 (40 ILCS 5/15-134.6 new)

20 Sec. 15-134.6. Suspension of the accrual of benefits under  
21 the traditional benefit package and portable benefit package.

22 (a) Notwithstanding any other provision of this Code, the  
23 retirement annuity of an employee who satisfies, on the  
24 effective date of this Section, the service requirement for a  
25 retirement annuity under this Article and who retires on or

1 after that date shall be calculated based on the service credit  
2 accrued under this Article prior to that date and the  
3 employee's annual rate of earnings on that date.

4 However, notwithstanding any other provision of this Code,  
5 an employee who does not, on the effective date of this  
6 Section, satisfy the service requirement for a retirement  
7 annuity under this Article shall not be entitled to a  
8 retirement annuity under this Article, but shall instead be  
9 eligible to have an initial account balance established in the  
10 self-managed plan in accordance with Section 15-158.2.

11 (b) Notwithstanding any other provision of this Code, if an  
12 employee or any other person is eligible for a benefit in the  
13 traditional benefit package or portable benefit package, other  
14 than a retirement annuity, on the effective date of this  
15 Section, then he or she shall continue to be eligible for that  
16 benefit while he or she continues to meet all otherwise  
17 applicable eligibility requirements.

18 However, notwithstanding any other provision of this Code,  
19 if an employee or other person is ineligible for a benefit in  
20 the traditional benefit package or portable benefit package,  
21 other than a retirement annuity, on the effective date of this  
22 Section, then he or she shall remain ineligible for that  
23 benefit on and after the effective date of this Section.

24 (40 ILCS 5/15-135) (from Ch. 108 1/2, par. 15-135)

25 Sec. 15-135. Retirement annuities - Conditions.

1 (a) A participant who retires in one of the following  
2 specified years with the specified amount of service is  
3 entitled to a retirement annuity at any age under the  
4 retirement program applicable to the participant:

5 35 years if retirement is in 1997 or before;

6 34 years if retirement is in 1998;

7 33 years if retirement is in 1999;

8 32 years if retirement is in 2000;

9 31 years if retirement is in 2001;

10 30 years if retirement is in 2002 or later.

11 A participant with 8 or more years of service after  
12 September 1, 1941, is entitled to a retirement annuity on or  
13 after attainment of age 55.

14 A participant with at least 5 but less than 8 years of  
15 service after September 1, 1941, is entitled to a retirement  
16 annuity on or after attainment of age 62.

17 A participant who has at least 25 years of service in this  
18 system as a police officer or firefighter is entitled to a  
19 retirement annuity on or after the attainment of age 50, if  
20 Rule 4 of Section 15-136 is applicable to the participant.

21 Notwithstanding any other provision of this Code,  
22 beginning on the effective date of this amendatory Act of the  
23 98th General Assembly, a Tier I employee shall not, regardless  
24 of the amount of accrued service credit, be entitled to a  
25 retirement annuity until he or she has attained age 62.

26 (b) The annuity payment period shall begin on the date

1 specified by the participant or the recipient of a disability  
2 retirement annuity submitting a written application, which  
3 date shall not be prior to termination of employment or more  
4 than one year before the application is received by the board;  
5 however, if the participant is not an employee of an employer  
6 participating in this System or in a participating system as  
7 defined in Article 20 of this Code on April 1 of the calendar  
8 year next following the calendar year in which the participant  
9 attains age 70 1/2, the annuity payment period shall begin on  
10 that date regardless of whether an application has been filed.

11 (c) An annuity is not payable if the amount provided under  
12 Section 15-136 is less than \$10 per month.

13 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

14 (40 ILCS 5/15-136) (from Ch. 108 1/2, par. 15-136)

15 Sec. 15-136. Retirement annuities - Amount. The provisions  
16 of this Section 15-136 apply only to those participants who are  
17 participating in the traditional benefit package or the  
18 portable benefit package and do not apply to participants who  
19 are participating in the self-managed plan.

20 (a) The amount of a participant's retirement annuity,  
21 expressed in the form of a single-life annuity, shall be  
22 determined by whichever of the following rules is applicable  
23 and provides the largest annuity:

24 Rule 1: The retirement annuity shall be 1.67% of final rate  
25 of earnings for each of the first 10 years of service, 1.90%

1 for each of the next 10 years of service, 2.10% for each year  
2 of service in excess of 20 but not exceeding 30, and 2.30% for  
3 each year in excess of 30; or for persons who retire on or  
4 after January 1, 1998, 2.2% of the final rate of earnings for  
5 each year of service.

6 Rule 2: The retirement annuity shall be the sum of the  
7 following, determined from amounts credited to the participant  
8 in accordance with the actuarial tables and the effective rate  
9 of interest in effect at the time the retirement annuity  
10 begins:

11 (i) the normal annuity which can be provided on an  
12 actuarially equivalent basis, by the accumulated normal  
13 contributions as of the date the annuity begins;

14 (ii) an annuity from employer contributions of an  
15 amount equal to that which can be provided on an  
16 actuarially equivalent basis from the accumulated normal  
17 contributions made by the participant under Section  
18 15-113.6 and Section 15-113.7 plus 1.4 times all other  
19 accumulated normal contributions made by the participant;  
20 and

21 (iii) the annuity that can be provided on an  
22 actuarially equivalent basis from the entire contribution  
23 made by the participant under Section 15-113.3.

24 With respect to a police officer or firefighter who retires  
25 on or after August 14, 1998, the accumulated normal  
26 contributions taken into account under clauses (i) and (ii) of

1 this Rule 2 shall include the additional normal contributions  
2 made by the police officer or firefighter under Section  
3 15-157(a).

4 The amount of a retirement annuity calculated under this  
5 Rule 2 shall be computed solely on the basis of the  
6 participant's accumulated normal contributions, as specified  
7 in this Rule and defined in Section 15-116. Neither an employee  
8 or employer contribution for early retirement under Section  
9 15-136.2 nor any other employer contribution shall be used in  
10 the calculation of the amount of a retirement annuity under  
11 this Rule 2.

12 This amendatory Act of the 91st General Assembly is a  
13 clarification of existing law and applies to every participant  
14 and annuitant without regard to whether status as an employee  
15 terminates before the effective date of this amendatory Act.

16 This Rule 2 does not apply to a person who first becomes an  
17 employee under this Article on or after July 1, 2005.

18 Rule 3: The retirement annuity of a participant who is  
19 employed at least one-half time during the period on which his  
20 or her final rate of earnings is based, shall be equal to the  
21 participant's years of service not to exceed 30, multiplied by  
22 (1) \$96 if the participant's final rate of earnings is less  
23 than \$3,500, (2) \$108 if the final rate of earnings is at least  
24 \$3,500 but less than \$4,500, (3) \$120 if the final rate of  
25 earnings is at least \$4,500 but less than \$5,500, (4) \$132 if  
26 the final rate of earnings is at least \$5,500 but less than

1 \$6,500, (5) \$144 if the final rate of earnings is at least  
2 \$6,500 but less than \$7,500, (6) \$156 if the final rate of  
3 earnings is at least \$7,500 but less than \$8,500, (7) \$168 if  
4 the final rate of earnings is at least \$8,500 but less than  
5 \$9,500, and (8) \$180 if the final rate of earnings is \$9,500 or  
6 more, except that the annuity for those persons having made an  
7 election under Section 15-154(a-1) shall be calculated and  
8 payable under the portable retirement benefit program pursuant  
9 to the provisions of Section 15-136.4.

10 Rule 4: A participant who is at least age 50 and has 25 or  
11 more years of service as a police officer or firefighter, and a  
12 participant who is age 55 or over and has at least 20 but less  
13 than 25 years of service as a police officer or firefighter,  
14 shall be entitled to a retirement annuity of 2 1/4% of the  
15 final rate of earnings for each of the first 10 years of  
16 service as a police officer or firefighter, 2 1/2% for each of  
17 the next 10 years of service as a police officer or  
18 firefighter, and 2 3/4% for each year of service as a police  
19 officer or firefighter in excess of 20. The retirement annuity  
20 for all other service shall be computed under Rule 1.

21 For purposes of this Rule 4, a participant's service as a  
22 firefighter shall also include the following:

23 (i) service that is performed while the person is an  
24 employee under subsection (h) of Section 15-107; and

25 (ii) in the case of an individual who was a  
26 participating employee employed in the fire department of

1 the University of Illinois's Champaign-Urbana campus  
2 immediately prior to the elimination of that fire  
3 department and who immediately after the elimination of  
4 that fire department transferred to another job with the  
5 University of Illinois, service performed as an employee of  
6 the University of Illinois in a position other than police  
7 officer or firefighter, from the date of that transfer  
8 until the employee's next termination of service with the  
9 University of Illinois.

10 Rule 5: The retirement annuity of a participant who elected  
11 early retirement under the provisions of Section 15-136.2 and  
12 who, on or before February 16, 1995, brought administrative  
13 proceedings pursuant to the administrative rules adopted by the  
14 System to challenge the calculation of his or her retirement  
15 annuity shall be the sum of the following, determined from  
16 amounts credited to the participant in accordance with the  
17 actuarial tables and the prescribed rate of interest in effect  
18 at the time the retirement annuity begins:

19 (i) the normal annuity which can be provided on an  
20 actuarially equivalent basis, by the accumulated normal  
21 contributions as of the date the annuity begins; and

22 (ii) an annuity from employer contributions of an  
23 amount equal to that which can be provided on an  
24 actuarially equivalent basis from the accumulated normal  
25 contributions made by the participant under Section  
26 15-113.6 and Section 15-113.7 plus 1.4 times all other

1 accumulated normal contributions made by the participant;  
2 and

3 (iii) an annuity which can be provided on an  
4 actuarially equivalent basis from the employee  
5 contribution for early retirement under Section 15-136.2,  
6 and an annuity from employer contributions of an amount  
7 equal to that which can be provided on an actuarially  
8 equivalent basis from the employee contribution for early  
9 retirement under Section 15-136.2.

10 In no event shall a retirement annuity under this Rule 5 be  
11 lower than the amount obtained by adding (1) the monthly amount  
12 obtained by dividing the combined employee and employer  
13 contributions made under Section 15-136.2 by the System's  
14 annuity factor for the age of the participant at the beginning  
15 of the annuity payment period and (2) the amount equal to the  
16 participant's annuity if calculated under Rule 1, reduced under  
17 Section 15-136(b) as if no contributions had been made under  
18 Section 15-136.2.

19 With respect to a participant who is qualified for a  
20 retirement annuity under this Rule 5 whose retirement annuity  
21 began before the effective date of this amendatory Act of the  
22 91st General Assembly, and for whom an employee contribution  
23 was made under Section 15-136.2, the System shall recalculate  
24 the retirement annuity under this Rule 5 and shall pay any  
25 additional amounts due in the manner provided in Section  
26 15-186.1 for benefits mistakenly set too low.

1           The amount of a retirement annuity calculated under this  
2 Rule 5 shall be computed solely on the basis of those  
3 contributions specifically set forth in this Rule 5. Except as  
4 provided in clause (iii) of this Rule 5, neither an employee  
5 nor employer contribution for early retirement under Section  
6 15-136.2, nor any other employer contribution, shall be used in  
7 the calculation of the amount of a retirement annuity under  
8 this Rule 5.

9           The General Assembly has adopted the changes set forth in  
10 Section 25 of this amendatory Act of the 91st General Assembly  
11 in recognition that the decision of the Appellate Court for the  
12 Fourth District in *Mattis v. State Universities Retirement*  
13 *System et al.* might be deemed to give some right to the  
14 plaintiff in that case. The changes made by Section 25 of this  
15 amendatory Act of the 91st General Assembly are a legislative  
16 implementation of the decision of the Appellate Court for the  
17 Fourth District in *Mattis v. State Universities Retirement*  
18 *System et al.* with respect to that plaintiff.

19           The changes made by Section 25 of this amendatory Act of  
20 the 91st General Assembly apply without regard to whether the  
21 person is in service as an employee on or after its effective  
22 date.

23           (b) The retirement annuity provided under Rules 1 and 3  
24 above shall be reduced by 1/2 of 1% for each month the  
25 participant is under age 60 at the time of retirement. However,  
26 this reduction shall not apply in the following cases:

1           (1) For a disabled participant whose disability  
2 benefits have been discontinued because he or she has  
3 exhausted eligibility for disability benefits under clause  
4 (6) of Section 15-152;

5           (2) For a participant who has at least the number of  
6 years of service required to retire at any age under  
7 subsection (a) of Section 15-135; or

8           (3) For that portion of a retirement annuity which has  
9 been provided on account of service of the participant  
10 during periods when he or she performed the duties of a  
11 police officer or firefighter, if these duties were  
12 performed for at least 5 years immediately preceding the  
13 date the retirement annuity is to begin.

14           (c) The maximum retirement annuity provided under Rules 1,  
15 2, 4, and 5 shall be the lesser of (1) the annual limit of  
16 benefits as specified in Section 415 of the Internal Revenue  
17 Code of 1986, as such Section may be amended from time to time  
18 and as such benefit limits shall be adjusted by the  
19 Commissioner of Internal Revenue, and (2) 80% of final rate of  
20 earnings.

21           (d) An annuitant whose status as an employee terminates  
22 after August 14, 1969 shall receive automatic increases in his  
23 or her retirement annuity as follows:

24           Effective January 1 immediately following the date the  
25 retirement annuity begins, the annuitant shall receive an  
26 increase in his or her monthly retirement annuity of 0.125% of

1 the monthly retirement annuity provided under Rule 1, Rule 2,  
2 Rule 3, Rule 4, or Rule 5, contained in this Section,  
3 multiplied by the number of full months which elapsed from the  
4 date the retirement annuity payments began to January 1, 1972,  
5 plus 0.1667% of such annuity, multiplied by the number of full  
6 months which elapsed from January 1, 1972, or the date the  
7 retirement annuity payments began, whichever is later, to  
8 January 1, 1978, plus 0.25% of such annuity multiplied by the  
9 number of full months which elapsed from January 1, 1978, or  
10 the date the retirement annuity payments began, whichever is  
11 later, to the effective date of the increase.

12 The annuitant shall receive an increase in his or her  
13 monthly retirement annuity on each January 1 thereafter during  
14 the annuitant's life of 3% of the monthly annuity provided  
15 under Rule 1, Rule 2, Rule 3, Rule 4, or Rule 5 contained in  
16 this Section. The change made under this subsection by P.A.  
17 81-970 is effective January 1, 1980 and applies to each  
18 annuitant whose status as an employee terminates before or  
19 after that date.

20 Beginning January 1, 1990, all automatic annual increases  
21 payable under this Section shall be calculated as a percentage  
22 of the total annuity payable at the time of the increase,  
23 including all increases previously granted under this Article.

24 The change made in this subsection by P.A. 85-1008 is  
25 effective January 26, 1988, and is applicable without regard to  
26 whether status as an employee terminated before that date.

1       (d-1) Notwithstanding any other provision of this Code,  
2 except subsection (d-2) of this Section, beginning on the  
3 effective date of this amendatory Act of the 98th General  
4 Assembly, the monthly retirement annuity of an annuitant shall  
5 first be subject to annual increases on the January 1 occurring  
6 on or next after either the attainment of age 67 or the January  
7 1 occurring on or next after the fifth anniversary of the  
8 annuity start date, whichever occurs earlier. If on the  
9 effective date of this amendatory Act of the 98th General  
10 Assembly an annuitant has already received an annual increase  
11 under this Section but is not eligible to receive an annual  
12 increase under this subsection, then the annual increases  
13 already received shall continue in force, but no additional  
14 annual increase shall be granted until the annuitant meets the  
15 new eligibility requirements.

16       (d-2) Notwithstanding subsection (d-1), no annual increase  
17 shall be paid under this Section in a calendar year if, on  
18 January 1 of the preceding calendar year, the total assets of  
19 the System are less than 85% of the total actuarial liabilities  
20 of the System, as annually certified by the System.

21       (d-3) Notwithstanding any other provision of this Code,  
22 except subsection (d-2) of this Section, beginning on the  
23 effective date of this amendatory Act of the 98th General  
24 Assembly, the amount of each automatic annual increase in  
25 retirement annuity occurring on or after the effective date of  
26 this amendatory Act of the 98th General Assembly shall be 3% or

1 one-half of the annual unadjusted percentage increase, if any,  
2 in the Consumer Price Index-U for the 12 months ending with the  
3 preceding September, whichever is less, of the originally  
4 granted retirement annuity. For the purposes of this Section,  
5 "Consumer Price Index-U" means the index published by the  
6 Bureau of Labor Statistics of the United States Department of  
7 Labor that measures the average change in prices of goods and  
8 services purchased by all urban consumers, United States city  
9 average, all items, 1982-84 = 100.

10 (e) If, on January 1, 1987, or the date the retirement  
11 annuity payment period begins, whichever is later, the sum of  
12 the retirement annuity provided under Rule 1 or Rule 2 of this  
13 Section and the automatic annual increases provided under the  
14 preceding subsection or Section 15-136.1, amounts to less than  
15 the retirement annuity which would be provided by Rule 3, the  
16 retirement annuity shall be increased as of January 1, 1987, or  
17 the date the retirement annuity payment period begins,  
18 whichever is later, to the amount which would be provided by  
19 Rule 3 of this Section. Such increased amount shall be  
20 considered as the retirement annuity in determining benefits  
21 provided under other Sections of this Article. This paragraph  
22 applies without regard to whether status as an employee  
23 terminated before the effective date of this amendatory Act of  
24 1987, provided that the annuitant was employed at least  
25 one-half time during the period on which the final rate of  
26 earnings was based.

1           (f) A participant is entitled to such additional annuity as  
2 may be provided on an actuarially equivalent basis, by any  
3 accumulated additional contributions to his or her credit.  
4 However, the additional contributions made by the participant  
5 toward the automatic increases in annuity provided under this  
6 Section shall not be taken into account in determining the  
7 amount of such additional annuity.

8           (g) If, (1) by law, a function of a governmental unit, as  
9 defined by Section 20-107 of this Code, is transferred in whole  
10 or in part to an employer, and (2) a participant transfers  
11 employment from such governmental unit to such employer within  
12 6 months after the transfer of the function, and (3) the sum of  
13 (A) the annuity payable to the participant under Rule 1, 2, or  
14 3 of this Section (B) all proportional annuities payable to the  
15 participant by all other retirement systems covered by Article  
16 20, and (C) the initial primary insurance amount to which the  
17 participant is entitled under the Social Security Act, is less  
18 than the retirement annuity which would have been payable if  
19 all of the participant's pension credits validated under  
20 Section 20-109 had been validated under this system, a  
21 supplemental annuity equal to the difference in such amounts  
22 shall be payable to the participant.

23           (h) On January 1, 1981, an annuitant who was receiving a  
24 retirement annuity on or before January 1, 1971 shall have his  
25 or her retirement annuity then being paid increased \$1 per  
26 month for each year of creditable service. On January 1, 1982,

1 an annuitant whose retirement annuity began on or before  
2 January 1, 1977, shall have his or her retirement annuity then  
3 being paid increased \$1 per month for each year of creditable  
4 service.

5 (i) On January 1, 1987, any annuitant whose retirement  
6 annuity began on or before January 1, 1977, shall have the  
7 monthly retirement annuity increased by an amount equal to 8¢  
8 per year of creditable service times the number of years that  
9 have elapsed since the annuity began.

10 (Source: P.A. 97-933, eff. 8-10-12; 97-968, eff. 8-16-12.)

11 (40 ILCS 5/15-158.2)

12 Sec. 15-158.2. Self-managed plan.

13 (a) Purpose. The General Assembly finds that it is  
14 important for colleges and universities to be able to attract  
15 and retain the most qualified employees and that in order to  
16 attract and retain these employees, colleges and universities  
17 should have the flexibility to provide a defined contribution  
18 plan as an alternative for eligible employees who elect not to  
19 participate in a defined benefit retirement program provided  
20 under this Article. Accordingly, the State Universities  
21 Retirement System is hereby required ~~authorized~~ to establish  
22 and administer a self-managed plan, which shall offer  
23 participating employees the opportunity to accumulate assets  
24 for retirement through a combination of employee and employer  
25 contributions that may be invested in mutual funds, collective

1 investment funds, or other investment products and used to  
2 purchase annuity contracts, either fixed or variable or a  
3 combination thereof. The plan must be qualified under the  
4 Internal Revenue Code of 1986.

5 (b) Adoption by employers. Before the effective date of  
6 this amendatory Act of the 98th General Assembly, each ~~Each~~  
7 employer subject to this Article may elect to adopt the  
8 self-managed plan established under this Section; this  
9 election is irrevocable. An employer's election to adopt the  
10 self-managed plan makes available to the eligible employees of  
11 that employer the elections described in Section 15-134.5. On  
12 and after the effective date of this amendatory Act of the 98th  
13 General Assembly, each employer subject to this Article shall  
14 adopt the self-managed plan established under this Section, and  
15 each participant shall participate in that plan with respect to  
16 service on and after that date.

17 The State Universities Retirement System shall be the plan  
18 sponsor for the self-managed plan and shall prepare a plan  
19 document and prescribe such rules and procedures as are  
20 considered necessary or desirable for the administration of the  
21 self-managed plan. Consistent with its fiduciary duty to the  
22 participants and beneficiaries of the self-managed plan, the  
23 Board of Trustees of the System may delegate aspects of plan  
24 administration as it sees fit to companies authorized to do  
25 business in this State, to the employers, or to a combination  
26 of both.

1 (c) Selection of service providers and funding vehicles.  
2 The System, in consultation with the employers, shall solicit  
3 proposals to provide administrative services and funding  
4 vehicles for the self-managed plan from insurance and annuity  
5 companies and mutual fund companies, banks, trust companies, or  
6 other financial institutions authorized to do business in this  
7 State. In reviewing the proposals received and approving and  
8 contracting with no fewer than 2 and no more than 7 companies,  
9 the Board of Trustees of the System shall consider, among other  
10 things, the following criteria:

11 (1) the nature and extent of the benefits that would be  
12 provided to the participants;

13 (2) the reasonableness of the benefits in relation to  
14 the premium charged;

15 (3) the suitability of the benefits to the needs and  
16 interests of the participating employees and the employer;

17 (4) the ability of the company to provide benefits  
18 under the contract and the financial stability of the  
19 company; and

20 (5) the efficacy of the contract in the recruitment and  
21 retention of employees.

22 The System, in consultation with the employers, shall  
23 periodically review each approved company. A company may  
24 continue to provide administrative services and funding  
25 vehicles for the self-managed plan only so long as it continues  
26 to be an approved company under contract with the Board.

1 (d) Employee Direction. Employees who are participating in  
2 the program must be allowed to direct the transfer of their  
3 account balances among the various investment options offered,  
4 subject to applicable contractual provisions. The participant  
5 shall not be deemed a fiduciary by reason of providing such  
6 investment direction. A person who is a fiduciary shall not be  
7 liable for any loss resulting from such investment direction  
8 and shall not be deemed to have breached any fiduciary duty by  
9 acting in accordance with that direction. Neither the System  
10 nor the employer guarantees any of the investments in the  
11 employee's account balances.

12 (e) Participation. Prior to the effective date of this  
13 amendatory Act of the 98th General Assembly, an ~~An~~ employee  
14 eligible to participate in the self-managed plan must make a  
15 written election in accordance with the provisions of Section  
16 15-134.5 and the procedures established by the System.  
17 Participation in the self-managed plan by an electing employee  
18 shall begin on the first day of the first pay period following  
19 the later of the date the employee's election is filed with the  
20 System or the effective date as of which the employee's  
21 employer begins to offer participation in the self-managed  
22 plan. Notwithstanding any other provision of this Code,  
23 beginning on the effective date of this amendatory Act of the  
24 98th General Assembly, each participant in the System shall  
25 participate in the self-managed plan with respect to service on  
26 and after that date, and a participant's ability to accrue, on

1 and after that date, additional benefits under the traditional  
2 benefit package or the portable benefit package is terminated.

3 Employers may not make the self-managed plan available earlier  
4 than January 1, 1998. An employee's participation in any other  
5 retirement program administered by the System under this  
6 Article shall terminate on the date that participation in the  
7 self-managed plan begins.

8 An employee who has elected to participate in the  
9 self-managed plan under this Section must continue  
10 participation while employed in an eligible position, and may  
11 not participate in any other retirement program administered by  
12 the System under this Article while employed by that employer  
13 or any other employer that has adopted the self-managed plan,  
14 unless the self-managed plan is terminated in accordance with  
15 subsection (i).

16 Participation in the self-managed plan under this Section  
17 shall constitute membership in the State Universities  
18 Retirement System.

19 A participant under this Section shall be entitled to the  
20 benefits of Article 20 of this Code.

21 (f) Establishment of Initial Account Balance. Prior to the  
22 effective date of this amendatory Act of the 98th General  
23 Assembly, if ~~If~~ at the time an employee elects to participate  
24 in the self-managed plan he or she has rights and credits in  
25 the System due to previous participation in the traditional  
26 benefit package, the System shall establish for the employee an

1 opening account balance in the self-managed plan, equal to the  
2 amount of contribution refund that the employee would be  
3 eligible to receive under Section 15-154 if the employee  
4 terminated employment on that date and elected a refund of  
5 contributions, except that this hypothetical refund shall  
6 include interest at the effective rate for the respective  
7 years. The System shall transfer assets from the defined  
8 benefit retirement program to the self-managed plan, as a tax  
9 free transfer in accordance with Internal Revenue Service  
10 guidelines, for purposes of funding the employee's opening  
11 account balance.

12 Beginning on the effective date of this amendatory Act of  
13 the 98th General Assembly, if a participant has rights and  
14 credits in the System due to previous participation in the  
15 traditional benefit package, portable benefit package, or both  
16 but those credits are insufficient, on the effective date of  
17 this amendatory Act of the 98th General Assembly, to satisfy  
18 the service requirement for a retirement annuity under this  
19 Article, then the System shall establish for the member an  
20 opening account balance in the self-managed plan, equal to (i)  
21 the amount of the contribution refund that the member would be  
22 eligible to receive under Section 15-154 if the employee  
23 terminated employment on that date and elected a refund of  
24 contributions, plus (ii) an amount equal to the regular  
25 employer contribution that would be required to fund the actual  
26 regular cost incurred for each year of service credit earned,

1 provided that the total opening account balance does not exceed  
2 7.6% of that participant's salary for that year, plus interest.  
3 The interest used in this subsection (f) is calculated as the  
4 average annual rate of return that the System has earned over  
5 the past 20 fiscal years and is compounded. The System shall  
6 transfer assets from the traditional benefit package and the  
7 portable benefit package to the self-managed plan, as a  
8 tax-free transfer in accordance with Internal Revenue Service  
9 guidelines, for purposes of funding the member's opening  
10 account balance.

11 (g) No Duplication of Service Credit. Notwithstanding any  
12 other provision of this Article, an employee may not purchase  
13 or receive service or service credit applicable to any other  
14 retirement program administered by the System under this  
15 Article for any period during which the employee was a  
16 participant in the self-managed plan established under this  
17 Section.

18 (h) Contributions prior to the effective date of this  
19 amendatory Act of the 98th General Assembly. The self-managed  
20 plan shall be funded by contributions from employees  
21 participating in the self-managed plan and employer  
22 contributions as provided in this Section.

23 The contribution rate for employees participating in the  
24 self-managed plan under this Section shall be equal to the  
25 employee contribution rate for other participants in the  
26 System, as provided in Section 15-157. This required

1 contribution shall be made as an "employer pick-up" under  
2 Section 414(h) of the Internal Revenue Code of 1986 or any  
3 successor Section thereof. Any employee participating in the  
4 System's traditional benefit package prior to his or her  
5 election to participate in the self-managed plan shall continue  
6 to have the employer pick up the contributions required under  
7 Section 15-157. However, the amounts picked up after the  
8 election of the self-managed plan shall be remitted to and  
9 treated as assets of the self-managed plan. In no event shall  
10 an employee have an option of receiving these amounts in cash.  
11 Employees may make additional contributions to the  
12 self-managed plan in accordance with procedures prescribed by  
13 the System, to the extent permitted under rules prescribed by  
14 the System.

15 The program shall provide for employer contributions to be  
16 credited to each self-managed plan participant at a rate of  
17 7.6% of the participating employee's salary, less the amount  
18 used by the System to provide disability benefits for the  
19 employee. The amounts so credited shall be paid into the  
20 participant's self-managed plan accounts in a manner to be  
21 prescribed by the System.

22 An amount of employer contribution, not exceeding 1% of the  
23 participating employee's salary, shall be used for the purpose  
24 of providing the disability benefits of the System to the  
25 employee. Prior to the beginning of each plan year under the  
26 self-managed plan, the Board of Trustees shall determine, as a

1 percentage of salary, the amount of employer contributions to  
2 be allocated during that plan year for providing disability  
3 benefits for employees in the self-managed plan.

4 The State of Illinois shall make contributions by  
5 appropriations to the System of the employer contributions  
6 required for employees who participate in the self-managed plan  
7 under this Section. The amount required shall be certified by  
8 the Board of Trustees of the System and paid by the State in  
9 accordance with Section 15-165. The System shall not be  
10 obligated to remit the required employer contributions to any  
11 of the insurance and annuity companies, mutual fund companies,  
12 banks, trust companies, financial institutions, or other  
13 sponsors of any of the funding vehicles offered under the  
14 self-managed plan until it has received the required employer  
15 contributions from the State. In the event of a deficiency in  
16 the amount of State contributions, the System shall implement  
17 those procedures described in subsection (c) of Section 15-165  
18 to obtain the required funding from the General Revenue Fund.

19 The provisions of this subsection (h) apply before the  
20 effective date of this amendatory Act of the 98th General  
21 Assembly.

22 (h-5) Contributions on and after the effective date of this  
23 amendatory Act of the 98th General Assembly.

24 The self-managed plan shall be funded by contributions from  
25 employees participating in the self-managed plan and State  
26 contributions as provided in this Section.

1       The annual required contribution for employees  
2 participating in the self-managed plan shall be an amount equal  
3 to 6% of the employee's salary. This required contribution  
4 shall be made as an employer pick-up under Section 414(h) of  
5 the Internal Revenue Code of 1986 or any successor Section  
6 thereof. Participants may make additional contributions to the  
7 self-managed plan in accordance with procedures prescribed by  
8 the System, to the extent permitted under rules adopted by the  
9 System.

10       The program shall provide for annual State contributions to  
11 be credited to the account of each employee who participates in  
12 the self-managed plan in an amount equal to 6% of the  
13 employee's compensation.

14       The System shall not be obligated to remit the required  
15 employer contributions to any of the insurance and annuity  
16 companies, mutual fund companies, banks, trust companies,  
17 financial institutions, or other sponsors of any of the funding  
18 vehicles offered under the self-managed plan until it has  
19 received the required employer contributions from the State. In  
20 the event of a deficiency in the amount of State contributions,  
21 the System shall implement any procedures to obtain the  
22 required funding from the General Revenue Fund.

23       The provisions of this subsection (h-5) apply on and after  
24 the effective date of this amendatory Act of the 98th General  
25 Assembly.

26       (i) Termination. (Blank). ~~The self managed plan authorized~~

1 ~~under this Section may be terminated by the System, subject to~~  
2 ~~the terms of any relevant contracts, and the System shall have~~  
3 ~~no obligation to reestablish the self-managed plan under this~~  
4 ~~Section. This Section does not create a right to continued~~  
5 ~~participation in any self managed plan set up by the System~~  
6 ~~under this Section. If the self managed plan is terminated, the~~  
7 ~~participants shall have the right to participate in one of the~~  
8 ~~other retirement programs offered by the System and receive~~  
9 ~~service credit in such other retirement program for any years~~  
10 ~~of employment following the termination.~~

11 (j) Vesting; Withdrawal; Return to Service. A participant  
12 in the self-managed plan becomes vested in the employer  
13 contributions credited to his or her accounts in the  
14 self-managed plan on the earliest to occur of the following:  
15 (1) completion of 5 years of service with an employer described  
16 in Section 15-106; (2) the death of the participating employee  
17 while employed by an employer described in Section 15-106, if  
18 the participant has completed at least 1 1/2 years of service;  
19 or (3) the participant's election to retire and apply the  
20 reciprocal provisions of Article 20 of this Code.

21 A participant in the self-managed plan who receives a  
22 distribution of his or her vested amounts from the self-managed  
23 plan while not yet eligible for retirement under this Article  
24 (and Article 20, if applicable) shall forfeit all service  
25 credit and accrued rights in the System; if subsequently  
26 re-employed, the participant shall be considered a new

1 employee. If a former participant again becomes a participating  
2 employee (or becomes employed by a participating system under  
3 Article 20 of this Code) and continues as such for at least 2  
4 years, all such rights, service credits, and previous status as  
5 a participant shall be restored upon repayment of the amount of  
6 the distribution, without interest.

7 (k) Benefit amounts. If an employee who is vested in  
8 employer contributions terminates employment, the employee  
9 shall be entitled to a benefit which is based on the account  
10 values attributable to both employer and employee  
11 contributions and any investment return thereon.

12 If an employee who is not vested in employer contributions  
13 terminates employment, the employee shall be entitled to a  
14 benefit based solely on the account values attributable to the  
15 employee's contributions and any investment return thereon,  
16 and the employer contributions and any investment return  
17 thereon shall be forfeited. Any employer contributions which  
18 are forfeited shall be held in escrow by the company investing  
19 those contributions and shall be used as directed by the System  
20 for future allocations of employer contributions or for the  
21 restoration of amounts previously forfeited by former  
22 participants who again become participating employees.

23 (l) If a participant so requests, a distribution of funds  
24 from the self-managed plan may be paid in the form of a direct  
25 rollover to another qualified plan, to the extent allowed by  
26 federal law and in accordance with the rules of the System.

1 (Source: P.A. 93-347, eff. 7-24-03.)

2 (40 ILCS 5/16-104.1 new)

3 Sec. 16-104.1. Traditional benefit package. "Traditional  
4 benefit package" means the defined benefit retirement program  
5 maintained by the System, which includes retirement annuities  
6 payable directly from the System, as provided in Sections  
7 16-132 through 16-136.4; disability benefits payable under  
8 Sections 16-149 through 16-149.5; survivor's benefits payable  
9 directly from the System, as provided in Sections 16-140  
10 through 16-143.1; and contribution refunds, as provided in  
11 Sections 16-138, 16-143.2, and 16-151. The traditional benefit  
12 package also includes any benefits determined under Section  
13 1-160 with respect to service performed under this Article.

14 (40 ILCS 5/16-104.2 new)

15 Sec. 16-104.2. Self-managed plan. "Self-managed plan"  
16 means the defined contribution retirement program maintained  
17 by the System, as described in Section 16-158.2. The  
18 self-managed plan also includes disability benefits, as  
19 provided in Sections 16-149 through 16-149.5 (but disregarding  
20 disability retirement annuities under Section 16-149.2). The  
21 self-managed plan does not include retirement annuities or  
22 survivor's benefits payable directly from the System as  
23 provided in Sections 16-132 through 16-136.4, Sections 16-140  
24 through 16-143.1, and Section 16-149.2, or refunds determined

1 under Sections 16-138, 16-143.2, and 16-151.

2 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

3 Sec. 16-106. Teacher. "Teacher": The following  
4 individuals, provided that, for employment prior to July 1,  
5 1990, they are employed on a full-time basis, or if not  
6 full-time, on a permanent and continuous basis in a position in  
7 which services are expected to be rendered for at least one  
8 school term:

9 (1) Any educational, administrative, professional or  
10 other staff employed in the public common schools included  
11 within this system in a position requiring certification  
12 under the law governing the certification of teachers;

13 (2) Any educational, administrative, professional or  
14 other staff employed in any facility of the Department of  
15 Children and Family Services or the Department of Human  
16 Services, in a position requiring certification under the  
17 law governing the certification of teachers, and any person  
18 who (i) works in such a position for the Department of  
19 Corrections, (ii) was a member of this System on May 31,  
20 1987, and (iii) did not elect to become a member of the  
21 State Employees' Retirement System pursuant to Section  
22 14-108.2 of this Code; except that "teacher" does not  
23 include any person who (A) becomes a security employee of  
24 the Department of Human Services, as defined in Section  
25 14-110, after June 28, 2001 (the effective date of Public

1 Act 92-14), or (B) becomes a member of the State Employees'  
2 Retirement System pursuant to Section 14-108.2c of this  
3 Code;

4 (3) Any regional superintendent of schools, assistant  
5 regional superintendent of schools, State Superintendent  
6 of Education; any person employed by the State Board of  
7 Education as an executive; any executive of the boards  
8 engaged in the service of public common school education in  
9 school districts covered under this system of which the  
10 State Superintendent of Education is an ex-officio member;

11 (4) Any employee of a school board association  
12 operating in compliance with Article 23 of the School Code  
13 who is certificated under the law governing the  
14 certification of teachers, provided that he or she becomes  
15 such an employee before the effective date of this  
16 amendatory Act of the 98th General Assembly;

17 (5) Any person employed by the retirement system who:

18 (i) was an employee of and a participant in the  
19 system on August 17, 2001 (the effective date of Public  
20 Act 92-416), or

21 (ii) becomes an employee of the system on or after  
22 August 17, 2001;

23 (6) Any educational, administrative, professional or  
24 other staff employed by and under the supervision and  
25 control of a regional superintendent of schools, provided  
26 such employment position requires the person to be

1           certificated under the law governing the certification of  
2           teachers and is in an educational program serving 2 or more  
3           districts in accordance with a joint agreement authorized  
4           by the School Code or by federal legislation;

5           (7) Any educational, administrative, professional or  
6           other staff employed in an educational program serving 2 or  
7           more school districts in accordance with a joint agreement  
8           authorized by the School Code or by federal legislation and  
9           in a position requiring certification under the laws  
10          governing the certification of teachers;

11          (8) Any officer or employee of a statewide teacher  
12          organization or officer of a national teacher organization  
13          who is certified under the law governing certification of  
14          teachers, provided: (i) the individual had previously  
15          established creditable service under this Article, (ii)  
16          the individual files with the system an irrevocable  
17          election to become a member before the effective date of  
18          this amendatory Act of the 97th General Assembly, (iii) the  
19          individual does not receive credit for such service under  
20          any other Article of this Code, and (iv) the individual  
21          first became an officer or employee of the teacher  
22          organization and becomes a member before the effective date  
23          of this amendatory Act of the 97th General Assembly;

24          (9) Any educational, administrative, professional, or  
25          other staff employed in a charter school operating in  
26          compliance with the Charter Schools Law who is certificated

1 under the law governing the certification of teachers;  ~~-~~

2 (10) Any person employed, on the effective date of this  
3 amendatory Act of the 94th General Assembly, by the  
4 Macon-Piatt Regional Office of Education in a  
5 birth-through-age-three pilot program receiving funds  
6 under Section 2-389 of the School Code who is required by  
7 the Macon-Piatt Regional Office of Education to hold a  
8 teaching certificate, provided that the Macon-Piatt  
9 Regional Office of Education makes an election, within 6  
10 months after the effective date of this amendatory Act of  
11 the 94th General Assembly, to have the person participate  
12 in the system. Any service established prior to the  
13 effective date of this amendatory Act of the 94th General  
14 Assembly for service as an employee of the Macon-Piatt  
15 Regional Office of Education in a birth-through-age-three  
16 pilot program receiving funds under Section 2-389 of the  
17 School Code shall be considered service as a teacher if  
18 employee and employer contributions have been received by  
19 the system and the system has not refunded those  
20 contributions.

21 An annuitant receiving a retirement annuity under this  
22 Article or under Article 17 of this Code who is employed by a  
23 board of education or other employer as permitted under Section  
24 16-118 or 16-150.1 is not a "teacher" for purposes of this  
25 Article. A person who has received a single-sum retirement  
26 benefit under Section 16-136.4 of this Article is not a

1 "teacher" for purposes of this Article.

2 (Source: P.A. 97-651, eff. 1-5-12; revised 8-3-12.)

3 (40 ILCS 5/16-106.4 new)

4 Sec. 16-106.4. Tier I employee. "Tier I employee": A  
5 teacher under this Article who first became a member or  
6 participant before January 1, 2011 under any reciprocal  
7 retirement system or pension fund established under this Code  
8 other than a retirement system or pension fund established  
9 under Article 2, 3, 4, 5, 6, or 18 of this Code.

10 (40 ILCS 5/16-121) (from Ch. 108 1/2, par. 16-121)

11 Sec. 16-121. Salary. "Salary": The actual compensation  
12 received by a teacher during any school year and recognized by  
13 the system in accordance with rules of the board. For purposes  
14 of this Section, "school year" includes the regular school term  
15 plus any additional period for which a teacher is compensated  
16 and such compensation is recognized by the rules of the board.

17 Notwithstanding any other provision of this Code, for  
18 periods of service on and after the effective date of this  
19 amendatory Act of the 98th General Assembly, "salary" does not  
20 include any annual remuneration for personal services in an  
21 amount that is in excess of the annual contribution and benefit  
22 base established for the previous year by the Commissioner of  
23 Social Security pursuant to Section 230 of the federal Social  
24 Security Act.

1 (Source: P.A. 84-1028.)

2 (40 ILCS 5/16-131.7 new)

3 Sec. 16-131.7. Suspension of the accrual of benefits under  
4 the traditional benefit package.

5 (a) Notwithstanding any other provision of this Code, the  
6 retirement annuity of a teacher who satisfies, on the effective  
7 date of the self-managed plan established under Section  
8 16-158.2, the service requirement for a retirement annuity  
9 under this Article and who retires on or after the effective  
10 date of this Section shall be calculated based on service  
11 credit accrued under this Article prior to the effective date  
12 of this Section and the teacher's annual salary on the  
13 effective date of this Section.

14 However, notwithstanding any other provision of this Code,  
15 a teacher who does not, on the effective date of the  
16 self-managed plan established under Section 16-158.2, satisfy  
17 the service requirement for a retirement annuity under this  
18 Article shall not be entitled to a retirement annuity under  
19 this Article, but shall instead be eligible to have an initial  
20 account balance established in the self-managed plan in  
21 accordance with Section 16-158.2.

22 (b) Notwithstanding any other provision of this Code, if a  
23 teacher or any other person is eligible for a benefit in the  
24 traditional benefit package, other than a retirement annuity,  
25 on the effective date of the self-managed plan established

1 under Section 16-158.2, then he or she shall continue to be  
2 eligible for that benefit while he or she continues to meet all  
3 otherwise applicable eligibility requirements.

4 However, notwithstanding any other provision of this Code,  
5 if a teacher or other person is ineligible for such a benefit  
6 in the traditional benefit package, other than a retirement  
7 annuity, on the effective date of the self-managed plan  
8 established under Section 16-158.2, then he or she shall remain  
9 ineligible for that benefit on and after the effective date of  
10 this Section.

11 (40 ILCS 5/16-132) (from Ch. 108 1/2, par. 16-132)

12 Sec. 16-132. Retirement annuity eligibility. A member who  
13 has at least 20 years of creditable service is entitled to a  
14 retirement annuity upon or after attainment of age 55. A member  
15 who has at least 10 but less than 20 years of creditable  
16 service is entitled to a retirement annuity upon or after  
17 attainment of age 60. A member who has at least 5 but less than  
18 10 years of creditable service is entitled to a retirement  
19 annuity upon or after attainment of age 62. A member who (i)  
20 has earned during the period immediately preceding the last day  
21 of service at least one year of contributing creditable service  
22 as an employee of a department as defined in Section 14-103.04,  
23 (ii) has earned at least 5 years of contributing creditable  
24 service as an employee of a department as defined in Section  
25 14-103.04, and (iii) retires on or after January 1, 2001 is

1 entitled to a retirement annuity upon or after attainment of an  
2 age which, when added to the number of years of his or her  
3 total creditable service, equals at least 85. Portions of years  
4 shall be counted as decimal equivalents.

5 A member who is eligible to receive a retirement annuity of  
6 at least 74.6% of final average salary and will attain age 55  
7 on or before December 31 during the year which commences on  
8 July 1 shall be deemed to attain age 55 on the preceding June  
9 1.

10 A member meeting the above eligibility conditions is  
11 entitled to a retirement annuity upon written application to  
12 the board setting forth the date the member wishes the  
13 retirement annuity to commence. However, the effective date of  
14 the retirement annuity shall be no earlier than the day  
15 following the last day of creditable service, regardless of the  
16 date of official termination of employment.

17 To be eligible for a retirement annuity, a member shall not  
18 be employed as a teacher in the schools included under this  
19 System or under Article 17, except (i) as provided in Section  
20 16-118 or 16-150.1, (ii) if the member is disabled (in which  
21 event, eligibility for salary must cease), or (iii) if the  
22 System is required by federal law to commence payment due to  
23 the member's age; the changes to this sentence made by this  
24 amendatory Act of the 93rd General Assembly apply without  
25 regard to whether the member terminated employment before or  
26 after its effective date.

1       Notwithstanding any other provision of this Code,  
2 beginning on the effective date of this amendatory Act of the  
3 98th General Assembly, a Tier I employee shall not, regardless  
4 of the amount of accrued service credit, be entitled to a  
5 retirement annuity until he or she has attained age 62.

6 (Source: P.A. 93-320, eff. 7-23-03.)

7       (40 ILCS 5/16-133.1) (from Ch. 108 1/2, par. 16-133.1)

8       Sec. 16-133.1. Automatic annual increase in annuity.

9       (a) Each member with creditable service and retiring on or  
10 after August 26, 1969 is entitled to the automatic annual  
11 increases in annuity provided under this Section while  
12 receiving a retirement annuity or disability retirement  
13 annuity from the system.

14       An annuitant shall first be entitled to an initial increase  
15 under this Section on the January 1 next following the first  
16 anniversary of retirement, or January 1 of the year next  
17 following attainment of age 61, whichever is later. At such  
18 time, the system shall pay an initial increase determined as  
19 follows:

20           (1) 1.5% of the originally granted retirement annuity  
21 or disability retirement annuity multiplied by the number  
22 of years elapsed, if any, from the date of retirement until  
23 January 1, 1972, plus

24           (2) 2% of the originally granted annuity multiplied by  
25 the number of years elapsed, if any, from the date of

1 retirement or January 1, 1972, whichever is later, until  
2 January 1, 1978, plus

3 (3) 3% of the originally granted annuity multiplied by  
4 the number of years elapsed from the date of retirement or  
5 January 1, 1978, whichever is later, until the effective  
6 date of the initial increase.

7 However, the initial annual increase calculated under this  
8 Section for the recipient of a disability retirement annuity  
9 granted under Section 16-149.2 shall be reduced by an amount  
10 equal to the total of all increases in that annuity received  
11 under Section 16-149.5 (but not exceeding 100% of the amount of  
12 the initial increase otherwise provided under this Section).

13 Following the initial increase, automatic annual increases  
14 in annuity shall be payable on each January 1 thereafter during  
15 the lifetime of the annuitant, determined as a percentage of  
16 the originally granted retirement annuity or disability  
17 retirement annuity for increases granted prior to January 1,  
18 1990, and calculated as a percentage of the total amount of  
19 annuity, including previous increases under this Section, for  
20 increases granted on or after January 1, 1990, as follows: 1.5%  
21 for periods prior to January 1, 1972, 2% for periods after  
22 December 31, 1971 and prior to January 1, 1978, and 3% for  
23 periods after December 31, 1977.

24 (b) The automatic annual increases in annuity provided  
25 under this Section shall not be applicable unless a member has  
26 made contributions toward such increases for a period

1 equivalent to one full year of creditable service. If a member  
2 contributes for service performed after August 26, 1969 but the  
3 member becomes an annuitant before such contributions amount to  
4 one full year's contributions based on the salary at the date  
5 of retirement, he or she may pay the necessary balance of the  
6 contributions to the system and be eligible for the automatic  
7 annual increases in annuity provided under this Section.

8 (c) Each member shall make contributions toward the cost of  
9 the automatic annual increases in annuity as provided under  
10 Section 16-152.

11 (d) An annuitant receiving a retirement annuity or  
12 disability retirement annuity on July 1, 1969, who subsequently  
13 re-enters service as a teacher is eligible for the automatic  
14 annual increases in annuity provided under this Section if he  
15 or she renders at least one year of creditable service  
16 following the latest re-entry.

17 (e) In addition to the automatic annual increases in  
18 annuity provided under this Section, an annuitant who meets the  
19 service requirements of this Section and whose retirement  
20 annuity or disability retirement annuity began on or before  
21 January 1, 1971 shall receive, on January 1, 1981, an increase  
22 in the annuity then being paid of one dollar per month for each  
23 year of creditable service. On January 1, 1982, an annuitant  
24 whose retirement annuity or disability retirement annuity  
25 began on or before January 1, 1977 shall receive an increase in  
26 the annuity then being paid of one dollar per month for each

1 year of creditable service.

2 On January 1, 1987, any annuitant whose retirement annuity  
3 began on or before January 1, 1977, shall receive an increase  
4 in the monthly retirement annuity equal to 8¢ per year of  
5 creditable service times the number of years that have elapsed  
6 since the annuity began.

7 (f) Notwithstanding any other provision of this Code,  
8 except subsection (f-5) of this Section, beginning on the  
9 effective date of this amendatory Act of the 98th General  
10 Assembly, the monthly retirement annuity of an annuitant shall  
11 first be subject to annual increases on the January 1 occurring  
12 on or next after either the attainment of age 67 or the January  
13 1 occurring on or next after the fifth anniversary of the  
14 annuity start date, whichever occurs earlier. If on the  
15 effective date of this amendatory Act of the 98th General  
16 Assembly an annuitant has already received an annual increase  
17 under this Section but is not eligible to receive an annual  
18 increase under this subsection, then the annual increases  
19 already received shall continue in force, but no additional  
20 annual increase shall be granted until the annuitant meets the  
21 new eligibility requirements.

22 (f-5) Notwithstanding subsection (f), no annual increase  
23 shall be paid under this Section in a calendar year if, on  
24 January 1 of the preceding calendar year, the total assets of  
25 the System are less than 85% of the total actuarial liabilities  
26 of the System, as annually certified by the System.

1       (g) Notwithstanding any other provision of this Code,  
2 except subsection (f-5) of this Section, beginning on the  
3 effective date of this amendatory Act of the 98th General  
4 Assembly, the amount of each automatic annual increase in  
5 retirement annuity occurring on or after the effective date of  
6 this amendatory Act of the 98th General Assembly shall be 3% or  
7 one-half of the annual unadjusted percentage increase, if any,  
8 in the Consumer Price Index-U for the 12 months ending with the  
9 preceding September, whichever is less, of the originally  
10 granted retirement annuity. For the purposes of this Section,  
11 "Consumer Price Index-U" means the index published by the  
12 Bureau of Labor Statistics of the United States Department of  
13 Labor that measures the average change in prices of goods and  
14 services purchased by all urban consumers, United States city  
15 average, all items, 1982-84 = 100.

16 (Source: P.A. 91-927, eff. 12-14-00.)

17 (40 ILCS 5/16-152.1) (from Ch. 108 1/2, par. 16-152.1)

18 Sec. 16-152.1. Pickup of contributions.

19 (a) Each employer may pick up the member contributions  
20 required under Section 16-152 for all salary earned after  
21 December 31, 1981 and before the effective date of this  
22 amendatory Act of the 98th General Assembly. If an employer  
23 decides not to pick up the member contributions, the amount  
24 that would have been picked up shall continue to be deducted  
25 from salary. If contributions are picked up, they shall be

1 treated as employer contributions in determining tax treatment  
2 under the United States Internal Revenue Code. The employer  
3 shall pay these member contributions from the same source of  
4 funds which is used in paying salary to the member. The  
5 employer may pick up these contributions by a reduction in the  
6 cash salary of the member or by an offset against a future  
7 salary increase or by a combination of a reduction in salary  
8 and offset against a future salary increase. If member  
9 contributions are picked up, they shall be treated for all  
10 purposes of this Article 16 in the same manner as member  
11 contributions made prior to the date the pick up began.

12 (b) The State Board of Education shall pick up the  
13 contributions of regional superintendents required under  
14 Section 16-152 for all salary earned for the 1982 calendar year  
15 and prior to the effective date of this amendatory Act of the  
16 98th General Assembly thereafter.

17 (c) Effective July 1, 1983 and until the effective date of  
18 this amendatory Act of the 98th General Assembly, each employer  
19 shall pick up the member contributions required under Section  
20 16-152 for all salary earned after such date. Contributions so  
21 picked up shall be treated as employer contributions in  
22 determining tax treatment under the United States Internal  
23 Revenue Code. The employer shall pay these member contributions  
24 from the same source of funds which is used in paying salary to  
25 the member. The employer may pick up these contributions by a  
26 reduction in the cash salary of the member or by an offset

1 against a future salary increase or by a combination of a  
2 reduction in salary and offset against a future salary  
3 increase. Member contributions so picked up shall be treated  
4 for all purposes of this Article 16 in the same manner as  
5 member contributions made prior to the date the pick up began.

6 (d) Subject to the requirements of federal law and the  
7 rules of the board, beginning July 1, 1998 and until the  
8 effective date of this amendatory Act of the 98th General  
9 Assembly, a member who is employed on a full-time basis may  
10 elect to have the employer pick up optional contributions that  
11 the member has elected to pay to the System, and the  
12 contributions so picked up shall be treated as employer  
13 contributions for the purposes of determining federal tax  
14 treatment. The election to have optional contributions picked  
15 up is irrevocable. At the time of making the election, the  
16 member shall execute a binding, irrevocable payroll deduction  
17 authorization. Upon receiving notice of the election, the  
18 employer shall pick up the contributions by a reduction in the  
19 cash salary of the member and shall pay the contributions from  
20 the same source of funds that is used to pay earnings to the  
21 member.

22 (Source: P.A. 90-448, eff. 8-16-97.)

23 (40 ILCS 5/16-158) (from Ch. 108 1/2, par. 16-158)

24 Sec. 16-158. Contributions by State and other employing  
25 units.

1           (a) The State shall make contributions to the System by  
2 means of appropriations from the Common School Fund and other  
3 State funds of amounts which, together with other employer  
4 contributions, employee contributions, investment income, and  
5 other income, will be sufficient to meet the cost of  
6 maintaining and administering the System on a 90% funded basis  
7 in accordance with actuarial recommendations.

8           Subject to the conditions set forth in subsection (b-4),  
9 the employers under this Article shall be responsible for  
10 paying a portion of the normal costs of the System beginning in  
11 State fiscal year 2014 and all of the normal costs of the  
12 System beginning in State fiscal year 2023.

13           The Board shall determine the amount of State contributions  
14 required for each fiscal year on the basis of the actuarial  
15 tables and other assumptions adopted by the Board and the  
16 recommendations of the actuary, using the formula in subsection  
17 (b-3).

18           (a-1) Annually, on or before November 15 until November 15,  
19 2011, the Board shall certify to the Governor the amount of the  
20 required State contribution for the coming fiscal year. The  
21 certification under this subsection (a-1) shall include a copy  
22 of the actuarial recommendations upon which it is based and  
23 shall specifically identify the System's projected State  
24 normal cost for that fiscal year.

25           On or before May 1, 2004, the Board shall recalculate and  
26 recertify to the Governor the amount of the required State

1 contribution to the System for State fiscal year 2005, taking  
2 into account the amounts appropriated to and received by the  
3 System under subsection (d) of Section 7.2 of the General  
4 Obligation Bond Act.

5 On or before July 1, 2005, the Board shall recalculate and  
6 recertify to the Governor the amount of the required State  
7 contribution to the System for State fiscal year 2006, taking  
8 into account the changes in required State contributions made  
9 by this amendatory Act of the 94th General Assembly.

10 On or before April 1, 2011, the Board shall recalculate and  
11 recertify to the Governor the amount of the required State  
12 contribution to the System for State fiscal year 2011, applying  
13 the changes made by Public Act 96-889 to the System's assets  
14 and liabilities as of June 30, 2009 as though Public Act 96-889  
15 was approved on that date.

16 (a-5) On or before November 1 of each year, beginning  
17 November 1, 2012, the Board shall submit to the State Actuary,  
18 the Governor, and the General Assembly a proposed certification  
19 of the amount of the required State contribution to the System  
20 for the next fiscal year, along with all of the actuarial  
21 assumptions, calculations, and data upon which that proposed  
22 certification is based. On or before January 1 of each year,  
23 beginning January 1, 2013, the State Actuary shall issue a  
24 preliminary report concerning the proposed certification and  
25 identifying, if necessary, recommended changes in actuarial  
26 assumptions that the Board must consider before finalizing its

1 certification of the required State contributions. On or before  
2 January 15, 2013 and each January 15 thereafter, the Board  
3 shall certify to the Governor and the General Assembly the  
4 amount of the required State contribution for the next fiscal  
5 year. The Board's certification must note any deviations from  
6 the State Actuary's recommended changes, the reason or reasons  
7 for not following the State Actuary's recommended changes, and  
8 the fiscal impact of not following the State Actuary's  
9 recommended changes on the required State contribution.

10 (b) Through State fiscal year 1995, the State contributions  
11 shall be paid to the System in accordance with Section 18-7 of  
12 the School Code.

13 (b-1) Beginning in State fiscal year 1996, on the 15th day  
14 of each month, or as soon thereafter as may be practicable, the  
15 Board shall submit vouchers for payment of State contributions  
16 to the System, in a total monthly amount of one-twelfth of the  
17 required annual State contribution certified under subsection  
18 (a-1). From the effective date of this amendatory Act of the  
19 93rd General Assembly through June 30, 2004, the Board shall  
20 not submit vouchers for the remainder of fiscal year 2004 in  
21 excess of the fiscal year 2004 certified contribution amount  
22 determined under this Section after taking into consideration  
23 the transfer to the System under subsection (a) of Section  
24 6z-61 of the State Finance Act. These vouchers shall be paid by  
25 the State Comptroller and Treasurer by warrants drawn on the  
26 funds appropriated to the System for that fiscal year.

1           If in any month the amount remaining unexpended from all  
2 other appropriations to the System for the applicable fiscal  
3 year (including the appropriations to the System under Section  
4 8.12 of the State Finance Act and Section 1 of the State  
5 Pension Funds Continuing Appropriation Act) is less than the  
6 amount lawfully vouchered under this subsection, the  
7 difference shall be paid from the Common School Fund under the  
8 continuing appropriation authority provided in Section 1.1 of  
9 the State Pension Funds Continuing Appropriation Act.

10           (b-2) Allocations from the Common School Fund apportioned  
11 to school districts not coming under this System shall not be  
12 diminished or affected by the provisions of this Article.

13           (b-3) For State fiscal years 2012 through 2045, the minimum  
14 contribution to the System to be made by the State for each  
15 fiscal year shall be an amount determined by the System to be  
16 sufficient to bring the total assets of the System up to 90% of  
17 the total actuarial liabilities of the System by the end of  
18 State fiscal year 2045. In making these determinations, the  
19 required State contribution shall be calculated each year as a  
20 level percentage of payroll over the years remaining to and  
21 including fiscal year 2045 and shall be determined under the  
22 projected unit credit actuarial cost method.

23           For State fiscal years 1996 through 2005, the State  
24 contribution to the System, as a percentage of the applicable  
25 employee payroll, shall be increased in equal annual increments  
26 so that by State fiscal year 2011, the State is contributing at

1 the rate required under this Section; except that in the  
2 following specified State fiscal years, the State contribution  
3 to the System shall not be less than the following indicated  
4 percentages of the applicable employee payroll, even if the  
5 indicated percentage will produce a State contribution in  
6 excess of the amount otherwise required under this subsection  
7 and subsection (a), and notwithstanding any contrary  
8 certification made under subsection (a-1) before the effective  
9 date of this amendatory Act of 1998: 10.02% in FY 1999; 10.77%  
10 in FY 2000; 11.47% in FY 2001; 12.16% in FY 2002; 12.86% in FY  
11 2003; and 13.56% in FY 2004.

12 Notwithstanding any other provision of this Article, the  
13 total required State contribution for State fiscal year 2006 is  
14 \$534,627,700.

15 Notwithstanding any other provision of this Article, the  
16 total required State contribution for State fiscal year 2007 is  
17 \$738,014,500.

18 For each of State fiscal years 2008 through 2009, the State  
19 contribution to the System, as a percentage of the applicable  
20 employee payroll, shall be increased in equal annual increments  
21 from the required State contribution for State fiscal year  
22 2007, so that by State fiscal year 2011, the State is  
23 contributing at the rate otherwise required under this Section.

24 Notwithstanding any other provision of this Article, the  
25 total required State contribution for State fiscal year 2010 is  
26 \$2,089,268,000 and shall be made from the proceeds of bonds

1 sold in fiscal year 2010 pursuant to Section 7.2 of the General  
2 Obligation Bond Act, less (i) the pro rata share of bond sale  
3 expenses determined by the System's share of total bond  
4 proceeds, (ii) any amounts received from the Common School Fund  
5 in fiscal year 2010, and (iii) any reduction in bond proceeds  
6 due to the issuance of discounted bonds, if applicable.

7 Notwithstanding any other provision of this Article, the  
8 total required State contribution for State fiscal year 2011 is  
9 the amount recertified by the System on or before April 1, 2011  
10 pursuant to subsection (a-1) of this Section and shall be made  
11 from the proceeds of bonds sold in fiscal year 2011 pursuant to  
12 Section 7.2 of the General Obligation Bond Act, less (i) the  
13 pro rata share of bond sale expenses determined by the System's  
14 share of total bond proceeds, (ii) any amounts received from  
15 the Common School Fund in fiscal year 2011, and (iii) any  
16 reduction in bond proceeds due to the issuance of discounted  
17 bonds, if applicable. This amount shall include, in addition to  
18 the amount certified by the System, an amount necessary to meet  
19 employer contributions required by the State as an employer  
20 under paragraph (e) of this Section, which may also be used by  
21 the System for contributions required by paragraph (a) of  
22 Section 16-127.

23 Beginning in State fiscal year 2046, the minimum State  
24 contribution for each fiscal year shall be the amount needed to  
25 maintain the total assets of the System at 90% of the total  
26 actuarial liabilities of the System.

1           Amounts received by the System pursuant to Section 25 of  
2 the Budget Stabilization Act or Section 8.12 of the State  
3 Finance Act in any fiscal year do not reduce and do not  
4 constitute payment of any portion of the minimum State  
5 contribution required under this Article in that fiscal year.  
6 Such amounts shall not reduce, and shall not be included in the  
7 calculation of, the required State contributions under this  
8 Article in any future year until the System has reached a  
9 funding ratio of at least 90%. A reference in this Article to  
10 the "required State contribution" or any substantially similar  
11 term does not include or apply to any amounts payable to the  
12 System under Section 25 of the Budget Stabilization Act.

13           Notwithstanding any other provision of this Section, the  
14 required State contribution for State fiscal year 2005 and for  
15 fiscal year 2008 and each fiscal year thereafter, as calculated  
16 under this Section and certified under subsection (a-1), shall  
17 not exceed an amount equal to (i) the amount of the required  
18 State contribution that would have been calculated under this  
19 Section for that fiscal year if the System had not received any  
20 payments under subsection (d) of Section 7.2 of the General  
21 Obligation Bond Act, minus (ii) the portion of the State's  
22 total debt service payments for that fiscal year on the bonds  
23 issued in fiscal year 2003 for the purposes of that Section  
24 7.2, as determined and certified by the Comptroller, that is  
25 the same as the System's portion of the total moneys  
26 distributed under subsection (d) of Section 7.2 of the General

1 Obligation Bond Act. In determining this maximum for State  
2 fiscal years 2008 through 2010, however, the amount referred to  
3 in item (i) shall be increased, as a percentage of the  
4 applicable employee payroll, in equal increments calculated  
5 from the sum of the required State contribution for State  
6 fiscal year 2007 plus the applicable portion of the State's  
7 total debt service payments for fiscal year 2007 on the bonds  
8 issued in fiscal year 2003 for the purposes of Section 7.2 of  
9 the General Obligation Bond Act, so that, by State fiscal year  
10 2011, the State is contributing at the rate otherwise required  
11 under this Section.

12 (b-4) Beginning in State fiscal year 2014, the minimum  
13 required contribution of employers under this Article shall be  
14 the following percentages of payroll, but only if, for the  
15 specified State fiscal year, the State provides full funding at  
16 the State fiscal year 2010 level for the mandates set forth in  
17 the School Breakfast and Lunch Program Act and Article 14 and  
18 Sections 18-3, 18-4.3, and 29-5 of the School Code:

19 (i) for State fiscal year 2014, 0.5% of the- employer's  
20 payroll for that fiscal year;

21 (ii) for State fiscal year 2015, 1.0% of the employer's  
22 payroll for that fiscal year; and

23 (iii) for State fiscal year 2016, 2.0% of the  
24 employer's payroll for that fiscal year;

25 (iv) for State fiscal year 2017, 3.0% of the employer's  
26 payroll for that fiscal year;

1           (v) for State fiscal year 2018, 4.0% of the employer's  
2           payroll for that fiscal year;

3           (vi) for State fiscal year 2019, 5.0% of the employer's  
4           payroll for that fiscal year;

5           (vii) for State fiscal year 2020, 6.0% of the  
6           employer's payroll for that fiscal year;

7           (viii) for State fiscal year 2021, 7.0% of the  
8           employer's payroll for that fiscal year;

9           (ix) for State fiscal year 2022, 8.0% of the employer's  
10           payroll for that fiscal year; and

11           (x) for State fiscal year 2023 and each State fiscal  
12           year thereafter, 9.0% of the employer's payroll for that  
13           fiscal year.

14           If the State does not provide, for a State fiscal year,  
15           full funding at the State fiscal year 2010 level for the  
16           mandates set forth in the School Breakfast and Lunch Program  
17           Act and Article 14 and Sections 18-3, 18-4.3, and 29-5 of the  
18           School Code, then the employers shall not be required to make a  
19           contribution under this subsection (b-4) for that State fiscal  
20           year.

21           Notwithstanding any other provision of this subsection  
22           (b-4), the minimum required contribution under this Section for  
23           a fiscal year shall not exceed the System's normal costs for  
24           that year.

25           Whenever it determines that a payment is or may be required  
26           under this subsection (b-4), the System shall calculate the

1 amount of the payment and bill the employer for that amount.  
2 The bill shall specify the calculations used to determine the  
3 amount due. If the employer disputes the amount of the bill, it  
4 may, within 30 days after receipt of the bill, apply to the  
5 System in writing for a recalculation. The application must  
6 specify in detail the grounds of the dispute. Upon receiving a  
7 timely application for recalculation, the System shall review  
8 the application and, if appropriate, recalculate the amount  
9 due.

10 The employer contributions required under this subsection  
11 (b-4) may be paid in the form of a lump sum within 90 days after  
12 receipt of the bill. If the employer contributions are not paid  
13 within 90 days after receipt of the bill, then interest will be  
14 charged at a rate equal to the System's annual actuarially  
15 assumed rate of return on investment compounded annually from  
16 the 91st day after receipt of the bill. Payments must be  
17 concluded within 3 years after the employer's receipt of the  
18 bill.

19 The purpose of this subsection (b-4), as well as the  
20 school-mandate-related provisions of this amendatory Act of  
21 the 98th General Assembly, is to shift certain pension-related  
22 costs to employers while lessening the effects of unfunded  
23 State mandates in order to ensure the financial stability of  
24 affected employers.

25 (c) Payment of the required State contributions and of all  
26 pensions, retirement annuities, death benefits, refunds, and

1 other benefits granted under or assumed by this System, and all  
2 expenses in connection with the administration and operation  
3 thereof, are obligations of the State.

4 If members are paid from special trust or federal funds  
5 which are administered by the employing unit, whether school  
6 district or other unit, the employing unit shall pay to the  
7 System from such funds the full accruing retirement costs based  
8 upon that service, as determined by the System. Employer  
9 contributions, based on salary paid to members from federal  
10 funds, may be forwarded by the distributing agency of the State  
11 of Illinois to the System prior to allocation, in an amount  
12 determined in accordance with guidelines established by such  
13 agency and the System.

14 (d) Effective July 1, 1986, any employer of a teacher as  
15 defined in paragraph (8) of Section 16-106 shall pay the  
16 employer's normal cost of benefits based upon the teacher's  
17 service, in addition to employee contributions, as determined  
18 by the System. Such employer contributions shall be forwarded  
19 monthly in accordance with guidelines established by the  
20 System.

21 However, with respect to benefits granted under Section  
22 16-133.4 or 16-133.5 to a teacher as defined in paragraph (8)  
23 of Section 16-106, the employer's contribution shall be 12%  
24 (rather than 20%) of the member's highest annual salary rate  
25 for each year of creditable service granted, and the employer  
26 shall also pay the required employee contribution on behalf of

1 the teacher. For the purposes of Sections 16-133.4 and  
2 16-133.5, a teacher as defined in paragraph (8) of Section  
3 16-106 who is serving in that capacity while on leave of  
4 absence from another employer under this Article shall not be  
5 considered an employee of the employer from which the teacher  
6 is on leave.

7 (e) Beginning July 1, 1998, every employer of a teacher  
8 shall pay to the System an employer contribution computed as  
9 follows:

10 (1) Beginning July 1, 1998 through June 30, 1999, the  
11 employer contribution shall be equal to 0.3% of each  
12 teacher's salary.

13 (2) Beginning July 1, 1999 and thereafter, the employer  
14 contribution shall be equal to 0.58% of each teacher's  
15 salary.

16 The school district or other employing unit may pay these  
17 employer contributions out of any source of funding available  
18 for that purpose and shall forward the contributions to the  
19 System on the schedule established for the payment of member  
20 contributions.

21 These employer contributions are intended to offset a  
22 portion of the cost to the System of the increases in  
23 retirement benefits resulting from this amendatory Act of 1998.

24 Each employer of teachers is entitled to a credit against  
25 the contributions required under this subsection (e) with  
26 respect to salaries paid to teachers for the period January 1,

1 2002 through June 30, 2003, equal to the amount paid by that  
2 employer under subsection (a-5) of Section 6.6 of the State  
3 Employees Group Insurance Act of 1971 with respect to salaries  
4 paid to teachers for that period.

5 The additional 1% employee contribution required under  
6 Section 16-152 by this amendatory Act of 1998 is the  
7 responsibility of the teacher and not the teacher's employer,  
8 unless the employer agrees, through collective bargaining or  
9 otherwise, to make the contribution on behalf of the teacher.

10 If an employer is required by a contract in effect on May  
11 1, 1998 between the employer and an employee organization to  
12 pay, on behalf of all its full-time employees covered by this  
13 Article, all mandatory employee contributions required under  
14 this Article, then the employer shall be excused from paying  
15 the employer contribution required under this subsection (e)  
16 for the balance of the term of that contract. The employer and  
17 the employee organization shall jointly certify to the System  
18 the existence of the contractual requirement, in such form as  
19 the System may prescribe. This exclusion shall cease upon the  
20 termination, extension, or renewal of the contract at any time  
21 after May 1, 1998.

22 (f) If the amount of a teacher's salary for any school year  
23 used to determine final average salary exceeds the member's  
24 annual full-time salary rate with the same employer for the  
25 previous school year by more than 6%, the teacher's employer  
26 shall pay to the System, in addition to all other payments

1 required under this Section and in accordance with guidelines  
2 established by the System, the present value of the increase in  
3 benefits resulting from the portion of the increase in salary  
4 that is in excess of 6%. This present value shall be computed  
5 by the System on the basis of the actuarial assumptions and  
6 tables used in the most recent actuarial valuation of the  
7 System that is available at the time of the computation. If a  
8 teacher's salary for the 2005-2006 school year is used to  
9 determine final average salary under this subsection (f), then  
10 the changes made to this subsection (f) by Public Act 94-1057  
11 shall apply in calculating whether the increase in his or her  
12 salary is in excess of 6%. For the purposes of this Section,  
13 change in employment under Section 10-21.12 of the School Code  
14 on or after June 1, 2005 shall constitute a change in employer.  
15 The System may require the employer to provide any pertinent  
16 information or documentation. The changes made to this  
17 subsection (f) by this amendatory Act of the 94th General  
18 Assembly apply without regard to whether the teacher was in  
19 service on or after its effective date.

20 Whenever it determines that a payment is or may be required  
21 under this subsection, the System shall calculate the amount of  
22 the payment and bill the employer for that amount. The bill  
23 shall specify the calculations used to determine the amount  
24 due. If the employer disputes the amount of the bill, it may,  
25 within 30 days after receipt of the bill, apply to the System  
26 in writing for a recalculation. The application must specify in

1 detail the grounds of the dispute and, if the employer asserts  
2 that the calculation is subject to subsection (g) or (h) of  
3 this Section, must include an affidavit setting forth and  
4 attesting to all facts within the employer's knowledge that are  
5 pertinent to the applicability of that subsection. Upon  
6 receiving a timely application for recalculation, the System  
7 shall review the application and, if appropriate, recalculate  
8 the amount due.

9       The employer contributions required under this subsection  
10 (f) may be paid in the form of a lump sum within 90 days after  
11 receipt of the bill. If the employer contributions are not paid  
12 within 90 days after receipt of the bill, then interest will be  
13 charged at a rate equal to the System's annual actuarially  
14 assumed rate of return on investment compounded annually from  
15 the 91st day after receipt of the bill. Payments must be  
16 concluded within 3 years after the employer's receipt of the  
17 bill.

18       (g) This subsection (g) applies only to payments made or  
19 salary increases given on or after June 1, 2005 but before July  
20 1, 2011. The changes made by Public Act 94-1057 shall not  
21 require the System to refund any payments received before July  
22 31, 2006 (the effective date of Public Act 94-1057).

23       When assessing payment for any amount due under subsection  
24 (f), the System shall exclude salary increases paid to teachers  
25 under contracts or collective bargaining agreements entered  
26 into, amended, or renewed before June 1, 2005.

1           When assessing payment for any amount due under subsection  
2 (f), the System shall exclude salary increases paid to a  
3 teacher at a time when the teacher is 10 or more years from  
4 retirement eligibility under Section 16-132 or 16-133.2.

5           When assessing payment for any amount due under subsection  
6 (f), the System shall exclude salary increases resulting from  
7 overload work, including summer school, when the school  
8 district has certified to the System, and the System has  
9 approved the certification, that (i) the overload work is for  
10 the sole purpose of classroom instruction in excess of the  
11 standard number of classes for a full-time teacher in a school  
12 district during a school year and (ii) the salary increases are  
13 equal to or less than the rate of pay for classroom instruction  
14 computed on the teacher's current salary and work schedule.

15           When assessing payment for any amount due under subsection  
16 (f), the System shall exclude a salary increase resulting from  
17 a promotion (i) for which the employee is required to hold a  
18 certificate or supervisory endorsement issued by the State  
19 Teacher Certification Board that is a different certification  
20 or supervisory endorsement than is required for the teacher's  
21 previous position and (ii) to a position that has existed and  
22 been filled by a member for no less than one complete academic  
23 year and the salary increase from the promotion is an increase  
24 that results in an amount no greater than the lesser of the  
25 average salary paid for other similar positions in the district  
26 requiring the same certification or the amount stipulated in

1 the collective bargaining agreement for a similar position  
2 requiring the same certification.

3 When assessing payment for any amount due under subsection  
4 (f), the System shall exclude any payment to the teacher from  
5 the State of Illinois or the State Board of Education over  
6 which the employer does not have discretion, notwithstanding  
7 that the payment is included in the computation of final  
8 average salary.

9 (h) When assessing payment for any amount due under  
10 subsection (f), the System shall exclude any salary increase  
11 described in subsection (g) of this Section given on or after  
12 July 1, 2011 but before July 1, 2014 under a contract or  
13 collective bargaining agreement entered into, amended, or  
14 renewed on or after June 1, 2005 but before July 1, 2011.  
15 Notwithstanding any other provision of this Section, any  
16 payments made or salary increases given after June 30, 2014  
17 shall be used in assessing payment for any amount due under  
18 subsection (f) of this Section.

19 (i) The System shall prepare a report and file copies of  
20 the report with the Governor and the General Assembly by  
21 January 1, 2007 that contains all of the following information:

22 (1) The number of recalculations required by the  
23 changes made to this Section by Public Act 94-1057 for each  
24 employer.

25 (2) The dollar amount by which each employer's  
26 contribution to the System was changed due to

1 recalculations required by Public Act 94-1057.

2 (3) The total amount the System received from each  
3 employer as a result of the changes made to this Section by  
4 Public Act 94-4.

5 (4) The increase in the required State contribution  
6 resulting from the changes made to this Section by Public  
7 Act 94-1057.

8 (j) For purposes of determining the required State  
9 contribution to the System, the value of the System's assets  
10 shall be equal to the actuarial value of the System's assets,  
11 which shall be calculated as follows:

12 As of June 30, 2008, the actuarial value of the System's  
13 assets shall be equal to the market value of the assets as of  
14 that date. In determining the actuarial value of the System's  
15 assets for fiscal years after June 30, 2008, any actuarial  
16 gains or losses from investment return incurred in a fiscal  
17 year shall be recognized in equal annual amounts over the  
18 5-year period following that fiscal year.

19 (k) For purposes of determining the required State  
20 contribution to the system for a particular year, the actuarial  
21 value of assets shall be assumed to earn a rate of return equal  
22 to the system's actuarially assumed rate of return.

23 (Source: P.A. 96-43, eff. 7-15-09; 96-1497, eff. 1-14-11;  
24 96-1511, eff. 1-27-11; 96-1554, eff. 3-18-11; 97-694, eff.  
25 6-18-12; 97-813, eff. 7-13-12.)

1 (40 ILCS 5/16-158.2 new)

2 Sec. 16-158.2. Self-managed plan.

3 (a) The General Assembly finds that it is important for  
4 schools to be able to attract and retain the most qualified  
5 employees and that in order to attract and retain these  
6 employees, schools should have the flexibility to provide a  
7 defined contribution (self-managed) plan for eligible members.  
8 Accordingly, the Teachers' Retirement System of the State of  
9 Illinois is hereby required, within 6 months after the  
10 effective date of this Section, to establish and administer a  
11 self-managed plan, which shall offer participating members the  
12 opportunity to accumulate assets for retirement through a  
13 combination of member and employer contributions that may be  
14 invested in mutual funds, collective investment funds, or other  
15 investment products and used to purchase annuity contracts,  
16 either fixed or variable or a combination of fixed and  
17 variable. The plan must be qualified under the Internal Revenue  
18 Code of 1986.

19 (b) Each employer subject to this Article shall adopt the  
20 self-managed plan established under this Section.

21 The Teachers' Retirement System of the State of Illinois  
22 shall be the plan sponsor for the self-managed plan and shall  
23 prepare a plan document and adopt any rules and procedures as  
24 are considered necessary or desirable for the administration of  
25 the self-managed plan. Consistent with its fiduciary duty to  
26 the participants and beneficiaries of the self-managed plan,

1 the Board of Trustees of the System may delegate aspects of  
2 plan administration as it sees fit to companies authorized to  
3 do business in this State, to the employers, or to a  
4 combination of both.

5 (c) Selection of service providers and funding vehicles.  
6 The System shall solicit proposals to provide administrative  
7 services and funding vehicles for the self-managed plan from  
8 insurance and annuity companies and mutual fund companies,  
9 banks, trust companies, or other financial institutions  
10 authorized to do business in this State. In reviewing the  
11 proposals received and approving and contracting with no fewer  
12 than 2 and no more than 7 companies, the Board of Trustees of  
13 the System shall consider, among other things, the following  
14 criteria:

15 (1) the nature and extent of the benefits that would be  
16 provided to the participants;

17 (2) the reasonableness of the benefits in relation to  
18 the premium charged;

19 (3) the suitability of the benefits to the needs and  
20 interests of the participating members and employers;

21 (4) the ability of the company to provide benefits  
22 under the contract and the financial stability of the  
23 company; and

24 (5) the efficacy of the contract in the recruitment and  
25 retention of employees.

26 The System shall periodically review each approved

1 company. A company may continue to provide administrative  
2 services and funding vehicles for the self-managed plan only so  
3 long as it continues to be an approved company under contract  
4 with the Board.

5 In addition to the companies approved by the System under  
6 this subsection (c), the System may offer its participants an  
7 investment fund managed by the System.

8 (d) Participants in the program must be allowed to direct  
9 the transfer of their account balances among the various  
10 investment options offered, subject to applicable contractual  
11 provisions. The participant shall not be deemed a fiduciary by  
12 reason of providing such investment direction. A person who is  
13 a fiduciary shall not be liable for any loss resulting from  
14 such investment direction and shall not be deemed to have  
15 breached any fiduciary duty by acting in accordance with that  
16 direction. Neither the System nor the employer guarantees any  
17 of the investments in the participant's account balances.

18 (e) Notwithstanding any other provision of this Code,  
19 beginning on the effective date of the self-managed plan  
20 established under this Section, each member in the System shall  
21 participate in the self-managed plan with respect to service  
22 under this Article on and after that date, and the ability of a  
23 member in the System to accrue, on and after that date,  
24 additional benefits under the traditional benefit package is  
25 terminated.

26 A participant in the self-managed plan under this Section

1 must continue participation while he or she remains a member,  
2 and may not participate in the traditional benefit package  
3 while employed by that employer or any other employer under  
4 this Article.

5 Participation in the self-managed plan under this Section  
6 shall constitute membership in the Teachers' Retirement System  
7 of the State of Illinois.

8 A participant under this Section shall be entitled to the  
9 benefits of Article 20 of this Code.

10 (f) If a member has rights and credits in the System due to  
11 previous participation in the traditional benefit package but  
12 those credits are insufficient, on the effective date of the  
13 self-managed plan established under this Section, to satisfy  
14 the service requirement for a retirement annuity under this  
15 Article, then the System shall establish for the member an  
16 opening account balance in the self-managed plan, equal to (i)  
17 the amount of the contribution refund that the member would be  
18 eligible to receive under Sections 16-143.2 and 16-151 if the  
19 employee terminated employment on that date and elected a  
20 refund of contributions, plus (ii) an amount equal to the  
21 regular employer contribution that would be required to fund  
22 the actual regular cost incurred for each year of service  
23 credit earned, provided that the total opening account balance  
24 does not exceed 7.6% of that participant's salary for that  
25 year, plus interest. The interest used in this subsection (f)  
26 is calculated as the average annual rate of return that the

1 System has earned over the past 20 fiscal years and is  
2 compounded. The System shall transfer assets from the  
3 traditional benefit package to the self-managed plan, as a  
4 tax-free transfer in accordance with Internal Revenue Service  
5 guidelines, for purposes of funding the member's opening  
6 account balance.

7 (g) Notwithstanding any other provision of this Article, a  
8 member may not purchase or receive service or service credit  
9 applicable to the traditional benefit package under this  
10 Article for any period during which the member was a  
11 participant in the self-managed plan established under this  
12 Section.

13 (h) The self-managed plan shall be funded by contributions  
14 from participants in the self-managed plan and employer  
15 contributions as provided in this Section.

16 The annual required contribution for employees  
17 participating in the self-managed plan shall be an amount equal  
18 to 6% of the employee's salary. This required contribution  
19 shall be made as an employer pick-up under Section 414(h) of  
20 the Internal Revenue Code of 1986 or any successor Section  
21 thereof. Participants may make additional contributions to the  
22 self-managed plan in accordance with procedures prescribed by  
23 the System, to the extent permitted under rules adopted by the  
24 System.

25 The program shall provide for annual State contributions to  
26 be credited to the account of each employee who participates in

1 the self-managed plan in an amount equal to 6% of the  
2 employee's compensation.

3 The System shall not be obligated to remit the required  
4 employer contributions to any of the insurance and annuity  
5 companies, mutual fund companies, banks, trust companies,  
6 financial institutions, or other sponsors of any of the funding  
7 vehicles offered under the self-managed plan until it has  
8 received the required employer contributions from the State. In  
9 the event of a deficiency in the amount of State contributions,  
10 the System shall implement those procedures described in  
11 subsection (b-1) of Section 16-158 to obtain the required  
12 funding from the Common School Fund.

13 (i) A participant in the self-managed plan becomes vested  
14 in the employer contributions credited to his or her accounts  
15 in the self-managed plan on the earliest to occur of the  
16 following: (1) attainment of at least 5 years of creditable  
17 service under this Article; (2) the death of the participating  
18 member while employed under this Article, if the participant  
19 has completed at least 1.5 years of service; or (3) the  
20 participant's election to retire and apply the reciprocal  
21 provisions of Article 20 of this Code.

22 A participant in the self-managed plan who receives a  
23 distribution of his or her vested amounts from the self-managed  
24 plan while not yet eligible for retirement under this Article  
25 (and Article 20, if applicable) shall forfeit all service  
26 credit and accrued rights in the System; if subsequently

1 re-employed under this Article, the participant shall be  
2 considered a new member. If a former participant in the  
3 self-managed plan again becomes a member (or becomes employed  
4 by a participating system under Article 20 of this Code) and  
5 continues as such for at least 2 years, all such rights,  
6 service credits, and previous status as a participant shall be  
7 restored upon repayment of the amount of the distribution,  
8 without interest.

9 (j) If a member participating in the self-managed plan who  
10 is vested in employer contributions terminates employment, the  
11 member shall be entitled to a benefit that is based on the  
12 account values attributable to both employer and member  
13 contributions and any investment return thereon.

14 If a member participating in the self-managed plan who is  
15 not vested in employer contributions terminates employment,  
16 the member shall be entitled to a benefit based solely on the  
17 account values attributable to the member's contributions and  
18 any investment return thereon, and the employer contributions  
19 and any investment return thereon shall be forfeited. Any  
20 employer contributions that are forfeited shall be held in  
21 escrow by the company investing those contributions and shall  
22 be used, as directed by the System, for future allocations of  
23 employer contributions or for the restoration of amounts  
24 previously forfeited by former participants who again become  
25 participants in the self-managed plan.

26 (k) If a participant so requests, a distribution of funds

1 from the self-managed plan may be paid in the form of a direct  
2 rollover to another qualified plan, to the extent allowed by  
3 federal law and in accordance with the rules of the System.

4 (40 ILCS 5/18-105.1 new)

5 Sec. 18-105.1. Traditional benefit package. "Traditional  
6 benefit package" means the defined benefit retirement program  
7 maintained by the System, which includes retirement annuities  
8 payable directly from the System, as provided in Sections  
9 18-124 through 18-125.1; disability retirement annuities  
10 payable under Sections 18-126 and 18-126.1; survivor's  
11 annuities payable directly from the System, as provided in  
12 Section 18-123 and Sections 18-128 through 18-128.1 and Section  
13 18-128.3; and contribution refunds as provided in Section  
14 18-129.

15 (40 ILCS 5/18-105.2 new)

16 Sec. 18-105.2. Self-managed plan. "Self-managed plan"  
17 means the defined contribution retirement program maintained  
18 by the System, as described in Section 18-133.2. The  
19 self-managed plan also includes disability benefits, as  
20 provided in Section 18-126.1. The self-managed plan does not  
21 include retirement annuities or survivor's annuities payable  
22 directly from the System, as provided in Section 18-123,  
23 Sections 18-124 through 18-126, Sections 18-128 through  
24 18-128.1, and Section 18-128.3 or refunds determined under

1 Section 18-129.

2 (40 ILCS 5/18-108.1 new)

3 Sec. 18-108.1. Tier I employee. "Tier I employee": A  
4 participant who first became a participant before January 1,  
5 2011.

6 (40 ILCS 5/18-111) (from Ch. 108 1/2, par. 18-111)

7 Sec. 18-111. Salary. "Salary": The total compensation paid  
8 for personal services as a judge, by the State, or by the State  
9 and a county as authorized by law. However, in the event that  
10 federal law results in any judge receiving imputed income based  
11 on the value of group term life insurance provided by the  
12 State, such imputed income shall not be included in salary for  
13 the purposes of this Article.

14 Notwithstanding any other provision of this Code, for  
15 periods of service on and after the effective date of this  
16 amendatory Act of the 98th General Assembly, "salary" does not  
17 include any annual remuneration for personal services in an  
18 amount that is in excess of the annual contribution and benefit  
19 base established for the previous year by the Commissioner of  
20 Social Security pursuant to Section 230 of the federal Social  
21 Security Act.

22 (Source: P.A. 86-273.)

23 (40 ILCS 5/18-123.3 new)

1       Sec. 18-123.3. Suspension of the accrual of benefits under  
2 the traditional benefit package.

3       (a) Notwithstanding any other provision of this Code, the  
4 retirement annuity of a judge who satisfies, on the effective  
5 date of the self-managed plan established under Section  
6 18-133.2, the service requirement for a retirement annuity  
7 under this Article and who retires on or after the effective  
8 date of this Section shall be calculated based on service  
9 credit accrued under this Article prior to the effective date  
10 of this Section and the judge's annual salary on the effective  
11 date of this Section.

12       However, notwithstanding any other provision of this Code,  
13 a judge who does not, on the effective date of the self-managed  
14 plan established under Section 18-133.2, satisfy the service  
15 requirement for a retirement annuity under this Article shall  
16 not be entitled to a retirement annuity under this Article, but  
17 shall instead be eligible to have an initial account balance  
18 established in the self-managed plan in accordance with Section  
19 18-133.2.

20       (b) Notwithstanding any other provision of this Code, if a  
21 judge or any other person is eligible for a benefit in the  
22 traditional benefit package, other than a retirement annuity,  
23 on the effective date of the self-managed plan established  
24 under Section 18-133.2, then he or she shall continue to be  
25 eligible for that benefit while he or she continues to meet all  
26 otherwise applicable eligibility requirements.

1       However, notwithstanding any other provision of this Code,  
2       if a judge or other person is ineligible for a benefit in the  
3       traditional benefit package, other than a retirement annuity,  
4       on the effective date of the self-managed plan established  
5       under Section 18-133.2, then he or she shall remain ineligible  
6       for that benefit on and after the effective date of this  
7       Section.

8           (40 ILCS 5/18-124) (from Ch. 108 1/2, par. 18-124)

9           Sec. 18-124. Retirement annuities - conditions for  
10       eligibility.

11           (a) This subsection (a) applies to a participant who first  
12       serves as a judge before the effective date of this amendatory  
13       Act of the 96th General Assembly.

14           A participant whose employment as a judge is terminated,  
15       regardless of age or cause is entitled to a retirement annuity  
16       beginning on the date specified in a written application  
17       subject to the following:

18           (1) the date the annuity begins is subsequent to the  
19       date of final termination of employment, or the date 30  
20       days prior to the receipt of the application by the board  
21       for annuities based on disability, or one year before the  
22       receipt of the application by the board for annuities based  
23       on attained age;

24           (2) the participant is at least age 55, or has become  
25       permanently disabled and as a consequence is unable to

1 perform the duties of his or her office;

2 (3) the participant has at least 10 years of service  
3 credit except that a participant terminating service after  
4 June 30 1975, with at least 6 years of service credit,  
5 shall be entitled to a retirement annuity at age 62 or  
6 over;

7 (4) the participant is not receiving or entitled to  
8 receive, at the date of retirement, any salary from an  
9 employer for service currently performed.

10 Notwithstanding any other provision of this Code,  
11 beginning on the effective date of this amendatory Act of the  
12 98th General Assembly, a Tier I employee shall not, regardless  
13 of the amount of accrued service credit, be entitled to a  
14 retirement annuity until he or she has attained age 62.

15 (b) This subsection (b) applies to a participant who first  
16 serves as a judge on or after the effective date of this  
17 amendatory Act of the 96th General Assembly.

18 A participant who has at least 8 years of creditable  
19 service is entitled to a retirement annuity when he or she has  
20 attained age 67.

21 A member who has attained age 62 and has at least 8 years  
22 of service credit may elect to receive the lower retirement  
23 annuity provided in subsection (d) of Section 18-125 of this  
24 Code.

25 (Source: P.A. 96-889, eff. 1-1-11.)

1 (40 ILCS 5/18-125.1) (from Ch. 108 1/2, par. 18-125.1)

2 Sec. 18-125.1. Automatic increase in retirement annuity.

3 (a) A participant who retires from service after June 30,  
4 1969, shall, in January of the year next following the year in  
5 which the first anniversary of retirement occurs, and in  
6 January of each year thereafter, have the amount of his or her  
7 originally granted retirement annuity increased as follows:  
8 for each year up to and including 1971, 1 1/2%; for each year  
9 from 1972 through 1979 inclusive, 2%; and for 1980 and each  
10 year thereafter, 3%.

11 (b) Notwithstanding any other provision of this Article,  
12 except subsections (f), (f-5), and (g) of this Section, a  
13 retirement annuity for a participant who first serves as a  
14 judge on or after January 1, 2011 (the effective date of Public  
15 Act 96-889) shall be increased in January of the year next  
16 following the year in which the first anniversary of retirement  
17 occurs, but in no event prior to age 67, and in January of each  
18 year thereafter, by an amount equal to 3% or the annual  
19 percentage increase in the consumer price index-u as determined  
20 by the Public Pension Division of the Department of Insurance  
21 under subsection (b-5) of Section 18-125, whichever is less, of  
22 the retirement annuity then being paid.

23 (c) This Section is not applicable to a participant who  
24 retires before he or she has made contributions at the rate  
25 prescribed in Section 18-133 for automatic increases for not  
26 less than the equivalent of one full year, unless such a

1 participant arranges to pay the system the amount required to  
2 bring the total contributions for the automatic increase to the  
3 equivalent of one year's contribution based upon his or her  
4 last year's salary.

5 This Section is applicable to all participants in service  
6 after June 30, 1969 unless a participant has elected, prior to  
7 September 1, 1969, in a written direction filed with the board  
8 not to be subject to the provisions of this Section. Any  
9 participant in service on or after July 1, 1992 shall have the  
10 option of electing prior to April 1, 1993, in a written  
11 direction filed with the board, to be covered by the provisions  
12 of the 1969 amendatory Act. Such participant shall be required  
13 to make the aforesaid additional contributions with compound  
14 interest at 4% per annum.

15 (d) Any participant who has become eligible to receive the  
16 maximum rate of annuity and who resumes service as a judge  
17 after receiving a retirement annuity under this Article shall  
18 have the amount of his or her retirement annuity increased by  
19 3% of the originally granted annuity amount for each year of  
20 such resumed service, beginning in January of the year next  
21 following the date of such resumed service, upon subsequent  
22 termination of such resumed service.

23 (e) Beginning January 1, 1990, all automatic annual  
24 increases payable under this Section shall be calculated as a  
25 percentage of the total annuity payable at the time of the  
26 increase, including previous increases granted under this

1 Article.

2 (f) Notwithstanding any other provision of this Code,  
3 except subsection (f-5) of this Section, beginning on the  
4 effective date of this amendatory Act of the 98th General  
5 Assembly, the monthly retirement annuity of an annuitant shall  
6 first be subject to annual increases on the January 1 occurring  
7 on or next after either the attainment of age 67 or the January  
8 1 occurring on or next after the fifth anniversary of the  
9 annuity start date, whichever occurs earlier. If on the  
10 effective date of this amendatory Act of the 98th General  
11 Assembly an annuitant has already received an annual increase  
12 under this Section but is not eligible to receive an annual  
13 increase under this subsection, then the annual increases  
14 already received shall continue in force, but no additional  
15 annual increase shall be granted until the annuitant meets the  
16 new eligibility requirements.

17 (f-5) Notwithstanding any other provision of this Code, no  
18 annual increase shall be paid under this Section in a calendar  
19 year if, on January 1 of the preceding calendar year, the total  
20 assets of the System are less than 85% of the total actuarial  
21 liabilities of the System, as annually certified by the System.

22 (g) Notwithstanding any other provision of this Code,  
23 except subsection (f-5) of this Section, beginning on the  
24 effective date of this amendatory Act of the 98th General  
25 Assembly, the amount of each automatic annual increase in  
26 retirement annuity occurring on or after the effective date of

1 this amendatory Act of the 98th General Assembly shall be 3% or  
2 one-half of the annual unadjusted percentage increase, if any,  
3 in the Consumer Price Index-U for the 12 months ending with the  
4 preceding September, whichever is less, of the originally  
5 granted retirement annuity. For the purposes of this Section,  
6 "Consumer Price Index-U" means the index published by the  
7 Bureau of Labor Statistics of the United States Department of  
8 Labor that measures the average change in prices of goods and  
9 services purchased by all urban consumers, United States city  
10 average, all items, 1982-84 = 100.

11 (Source: P.A. 96-889, eff. 1-1-11; 96-1490, eff. 1-1-11.)

12 (40 ILCS 5/18-133.2 new)

13 Sec. 18-133.2. Self-managed plan.

14 (a) The General Assembly finds that it is important to be  
15 able to attract and retain the most qualified judges and that  
16 in order to attract and retain these judges, the System should  
17 have the flexibility to provide a defined contribution  
18 (self-managed) plan for eligible participants. Accordingly,  
19 the Judges Retirement System of Illinois is hereby required,  
20 within 6 months after the effective date of this Section, to  
21 establish and administer a self-managed plan, which shall offer  
22 participants the opportunity to accumulate assets for  
23 retirement through a combination of participant and employer  
24 contributions that may be invested in mutual funds, collective  
25 investment funds, or other investment products and used to

1 purchase annuity contracts, either fixed or variable or a  
2 combination thereof. The plan must be qualified under the  
3 Internal Revenue Code of 1986.

4 (b) The Board shall adopt the self-managed plan established  
5 under this Section.

6 The Judges Retirement System of Illinois shall be the plan  
7 sponsor for the self-managed plan and shall prepare a plan  
8 document and prescribe such rules and procedures as are  
9 considered necessary or desirable for the administration of the  
10 self-managed plan. Consistent with its fiduciary duty to the  
11 participants and beneficiaries of the self-managed plan, the  
12 Board of Trustees of the System may delegate aspects of plan  
13 administration as it sees fit to companies authorized to do  
14 business in this State.

15 (c) The System shall solicit proposals to provide  
16 administrative services and funding vehicles for the  
17 self-managed plan from insurance and annuity companies and  
18 mutual fund companies, banks, trust companies, or other  
19 financial institutions authorized to do business in this State.  
20 In reviewing the proposals received and approving and  
21 contracting with no fewer than 2 and no more than 7 companies,  
22 the Board of Trustees of the System shall consider, among other  
23 things, the following criteria:

24 (1) the nature and extent of the benefits that would be  
25 provided to the participants;

26 (2) the reasonableness of the benefits in relation to

1 the premium charged;

2 (3) the suitability of the benefits to the needs and  
3 interests of the participants and the employer;

4 (4) the ability of the company to provide benefits  
5 under the contract and the financial stability of the  
6 company; and

7 (5) the efficacy of the contract in the recruitment and  
8 retention of judges.

9 The System shall periodically review each approved  
10 company. A company may continue to provide administrative  
11 services and funding vehicles for the self-managed plan only so  
12 long as it continues to be an approved company under contract  
13 with the Board.

14 In addition to the companies approved by the System under  
15 this subsection (c), the System may offer its participants an  
16 investment fund managed by the System.

17 (d) Participants who are under the self-managed plan must  
18 be allowed to direct the transfer of their account balances  
19 among the various investment options offered, subject to  
20 applicable contractual provisions. The participant shall not  
21 be deemed a fiduciary by reason of providing such investment  
22 direction. A person who is a fiduciary shall not be liable for  
23 any loss resulting from such investment direction and shall not  
24 be deemed to have breached any fiduciary duty by acting in  
25 accordance with that direction. Neither the System nor the  
26 State guarantees any of the investments in the participant's

1 account balances.

2 (e) Notwithstanding any other provision of this Code,  
3 beginning on the effective date of the self-managed plan  
4 established under this Section, each participant in the System  
5 shall participate in the self-managed plan with respect to  
6 service under this Article on and after that date, and the  
7 ability of a participant in the System to accrue, on and after  
8 that date, additional benefits under the traditional benefit  
9 package is terminated.

10 A participant who participates in the self-managed plan  
11 under this Section must continue participation while employed  
12 as a judge, and may not participate in the traditional benefit  
13 package administered by the System under this Article while  
14 employed as a judge.

15 Participation in the self-managed plan under this Section  
16 shall constitute membership in the Judges Retirement System of  
17 Illinois.

18 A participant under this Section shall be entitled to the  
19 benefits of Article 20 of this Code.

20 (f) If a participant has rights and credits in the System  
21 due to previous participation in the traditional benefit  
22 package but those credits are insufficient, on the effective  
23 date of the self-managed plan established under this Section,  
24 to satisfy the service requirement for a retirement annuity  
25 under this Article, then the System shall establish for the  
26 member an opening account balance in the self-managed plan,

1 equal to (i) the amount of the contribution refund that the  
2 member would be eligible to receive under Section 18-129 if the  
3 employee terminated employment on that date and elected a  
4 refund of contributions, plus (ii) an amount equal to the  
5 regular employer contribution that would be required to fund  
6 the actual regular cost incurred for each year of service  
7 credit earned, provided that the total opening account balance  
8 does not exceed 7.6% of that participant's salary for that  
9 year, plus interest. The interest used in this subsection (f)  
10 is calculated as the average annual rate of return that the  
11 System has earned over the past 20 fiscal years and is  
12 compounded. The System shall transfer assets from the  
13 traditional benefit package to the self-managed plan, as a  
14 tax-free transfer in accordance with Internal Revenue Service  
15 guidelines, for purposes of funding the member's opening  
16 account balance.

17 (g) Notwithstanding any other provision of this Article, a  
18 participant may not purchase or receive service or service  
19 credit applicable to the traditional benefit package under this  
20 Article for any period during which the participant was covered  
21 under the self-managed plan established under this Section.

22 (h) The self-managed plan shall be funded by contributions  
23 from participants in the self-managed plan and employer  
24 contributions as provided in this Section.

25 The annual required contribution for employees  
26 participating in the self-managed plan shall be an amount equal

1 to 6% of the employee's salary. This required contribution  
2 shall be made as an employer pick-up under Section 414(h) of  
3 the Internal Revenue Code of 1986 or any successor Section  
4 thereof. Participants may make additional contributions to the  
5 self-managed plan in accordance with procedures prescribed by  
6 the System, to the extent permitted under rules adopted by the  
7 System.

8 The program shall provide for annual State contributions to  
9 be credited to the account of each employee who participates in  
10 the self-managed plan in an amount equal to 6% of the  
11 employee's compensation.

12 The System shall not be obligated to remit the required  
13 employer contributions to any of the insurance and annuity  
14 companies, mutual fund companies, banks, trust companies,  
15 financial institutions, or other sponsors of any of the funding  
16 vehicles offered under the self-managed plan until it has  
17 received the required employer contributions from the State. In  
18 the event of a deficiency in the amount of State contributions,  
19 the System shall implement those procedures described in  
20 subsection (b-1) of Section 16-158 to obtain the required  
21 funding from the Common School Fund.

22 (i) A participant in the self-managed plan becomes vested  
23 in the employer contributions credited to his or her accounts  
24 in the self-managed plan on the earliest to occur of the  
25 following: (1) attainment of 5 years of service credit; (2) the  
26 death of the participant while employed as a judge, if the

1 participant has completed at least 1.5 years of service; or (3)  
2 the participant's election to retire and apply the reciprocal  
3 provisions of Article 20 of this Code.

4 A participant in the self-managed plan who receives a  
5 distribution of his or her vested amounts from the self-managed  
6 plan while not yet eligible for retirement under this Article  
7 (and Article 20, if applicable) shall forfeit all service  
8 credit and accrued rights in the System; if subsequently  
9 re-employed as a judge, the participant shall be considered a  
10 new employee. If a former participant again becomes a  
11 participating employee (or becomes employed by a participating  
12 system under Article 20 of this Code) and continues as such for  
13 at least 2 years, all such rights, service credits, and  
14 previous status as a participant shall be restored upon  
15 repayment of the amount of the distribution, without interest.

16 (j) If a participant who is vested in employer  
17 contributions terminates employment, the participant shall be  
18 entitled to a benefit which is based on the account values  
19 attributable to both employer and participant contributions  
20 and any investment return thereon.

21 If a participant who is not vested in employer  
22 contributions terminates employment, the participant shall be  
23 entitled to a benefit based solely on the account values  
24 attributable to the participant's contributions and any  
25 investment return thereon, and the employer contributions and  
26 any investment return thereon shall be forfeited. Any employer

1 contributions which are forfeited shall be held in escrow by  
2 the company investing those contributions and shall be used, as  
3 directed by the System, for future allocations of employer  
4 contributions or for the restoration of amounts previously  
5 forfeited by former participants who again become  
6 participating employees.

7 (k) If a participant so requests, a distribution of funds  
8 from the self-managed plan may be paid in the form of a direct  
9 rollover to another qualified plan, to the extent allowed by  
10 federal law and in accordance with the rules of the System.

11 Section 15. The School Code is amended by changing Sections  
12 2-3.11, 10-22.34c, 14-2, and 22-60 as follows:

13 (105 ILCS 5/2-3.11) (from Ch. 122, par. 2-3.11)

14 Sec. 2-3.11. Report to Governor and General Assembly. To  
15 report to the Governor and General Assembly annually on or  
16 before January 14 the condition of the schools of the State  
17 using the most recently available data.

18 Such annual report shall contain reports of the State  
19 Teacher Certification Board; the schools of the State  
20 charitable institutions; reports on ~~driver education~~, special  
21 education, and transportation; and for such year the annual  
22 statistical reports of the State Board of Education, including  
23 the number and kinds of school districts; number of school  
24 attendance centers; number of men and women teachers;

1 enrollment by grades; total enrollment; total days attendance;  
2 total days absence; average daily attendance; number of  
3 elementary and secondary school graduates; assessed valuation;  
4 tax levies and tax rates for various purposes; amount of  
5 teachers' orders, anticipation warrants, and bonds  
6 outstanding; and number of men and women teachers and total  
7 enrollment of private schools. The report shall give for all  
8 school districts receipts from all sources and expenditures for  
9 all purposes for each fund; the total operating expense, the  
10 per capita cost, and instructional expenditures; federal and  
11 state aids and reimbursements; new school buildings, and  
12 recognized schools; together with such other information and  
13 suggestions as the State Board of Education may deem important  
14 in relation to the schools and school laws and the means of  
15 promoting education throughout the state.

16 In this Section, "instructional expenditures" means the  
17 annual expenditures of school districts properly attributable  
18 to expenditure functions defined in rules of the State Board of  
19 Education as: 1100 (Regular Education); 1200-1220 (Special  
20 Education); 1250 (Ed. Deprived/Remedial); 1400 (Vocational  
21 Programs); 1600 (Summer School); 1650 (Gifted); 1800  
22 (Bilingual Programs); 1900 (Truant Alternative); 2110  
23 (Attendance and Social Work Services); 2120 (Guidance  
24 Services); 2130 (Health Services); 2140 (Psychological  
25 Services); 2150 (Speech Pathology and Audiology Services);  
26 2190 (Other Support Services Pupils); 2210 (Improvement of

1 Instruction); 2220 (Educational Media Services); 2230  
2 (Assessment and Testing); 2540 (Operation and Maintenance of  
3 Plant Services); 2550 (Pupil Transportation Service); 2560  
4 (Food Service); 4110 (Payments for Regular Programs); 4120  
5 (Payments for Special Education Programs); 4130 (Payments for  
6 Adult Education Programs); 4140 (Payments for Vocational  
7 Education Programs); 4170 (Payments for Community College  
8 Programs); 4190 (Other payments to in-state government units);  
9 and 4200 (Other payments to out of state government units).  
10 (Source: P.A. 95-793, eff. 1-1-09; 96-734, eff. 8-25-09.)

11 (105 ILCS 5/10-22.34c)

12 Sec. 10-22.34c. Third party non-instructional services.  
13 Notwithstanding any other law of this State, nothing in this  
14 Code prevents a ~~(a) A~~ board of education from entering ~~may~~  
15 ~~enter~~ into a contract with a third party for non-instructional  
16 services currently performed by any employee or bargaining unit  
17 member or from laying ~~lay~~ off those educational support  
18 personnel employees upon 30 ~~90~~ days written notice to the  
19 affected employees. ~~provided that:~~

20 ~~(1) a contract must not be entered into and become~~  
21 ~~effective during the term of a collective bargaining~~  
22 ~~agreement, as that term is set forth in the agreement,~~  
23 ~~covering any employees who perform the non-instructional~~  
24 ~~services;~~

25 ~~(2) a contract may only take effect upon the expiration~~

1 ~~of an existing collective bargaining agreement;~~

2 ~~(3) any third party that submits a bid to perform the~~  
3 ~~non-instructional services shall provide the following:~~

4 ~~(A) evidence of liability insurance in scope and~~  
5 ~~amount equivalent to the liability insurance provided~~  
6 ~~by the school board pursuant to Section 10-22.3 of this~~  
7 ~~Code;~~

8 ~~(B) a benefits package for the third party's~~  
9 ~~employees who will perform the non-instructional~~  
10 ~~services comparable to the benefits package provided~~  
11 ~~to school board employees who perform those services;~~

12 ~~(C) a list of the number of employees who will~~  
13 ~~provide the non-instructional services, the job~~  
14 ~~classifications of those employees, and the wages the~~  
15 ~~third party will pay those employees;~~

16 ~~(D) a minimum 3 year cost projection, using~~  
17 ~~generally accepted accounting principles and which the~~  
18 ~~third party is prohibited from increasing if the bid is~~  
19 ~~accepted by the school board, for each and every~~  
20 ~~expenditure category and account for performing the~~  
21 ~~non-instructional services;~~

22 ~~(E) composite information about the criminal and~~  
23 ~~disciplinary records, including alcohol or other~~  
24 ~~substance abuse, Department of Children and Family~~  
25 ~~Services complaints and investigations, traffic~~  
26 ~~violations, and license revocations or any other~~

1           ~~licensure problems, of any employees who may perform~~  
2           ~~the non-instructional services, provided that the~~  
3           ~~individual names and other identifying information of~~  
4           ~~employees need not be provided with the submission of~~  
5           ~~the bid, but must be made available upon request of the~~  
6           ~~school board; and~~

7           ~~(F) an affidavit, notarized by the president or~~  
8           ~~chief executive officer of the third party, that each~~  
9           ~~of its employees has completed a criminal background~~  
10          ~~check as required by Section 10-21.9 of this Code~~  
11          ~~within 3 months prior to submission of the bid,~~  
12          ~~provided that the results of such background checks~~  
13          ~~need not be provided with the submission of the bid,~~  
14          ~~but must be made available upon request of the school~~  
15          ~~board;~~

16          ~~(4) a contract must not be entered into unless the~~  
17          ~~school board provides a cost comparison, using generally~~  
18          ~~accepted accounting principles, of each and every~~  
19          ~~expenditure category and account that the school board~~  
20          ~~projects it would incur over the term of the contract if it~~  
21          ~~continued to perform the non-instructional services using~~  
22          ~~its own employees with each and every expenditure category~~  
23          ~~and account that is projected a third party would incur if~~  
24          ~~a third party performed the non-instructional services;~~

25          ~~(5) review and consideration of all bids by third~~  
26          ~~parties to perform the non-instructional services shall~~

1 ~~take place in open session of a regularly scheduled school~~  
2 ~~board meeting, unless the exclusive bargaining~~  
3 ~~representative of the employees who perform the~~  
4 ~~non-instructional services, if any such exclusive~~  
5 ~~bargaining representative exists, agrees in writing that~~  
6 ~~such review and consideration can take place in open~~  
7 ~~session at a specially scheduled school board meeting;~~

8 ~~(6) a minimum of one public hearing, conducted by the~~  
9 ~~school board prior to a regularly scheduled school board~~  
10 ~~meeting, to discuss the school board's proposal to contract~~  
11 ~~with a third party to perform the non-instructional~~  
12 ~~services must be held before the school board may enter~~  
13 ~~into such a contract; the school board must provide notice~~  
14 ~~to the public of the date, time, and location of the first~~  
15 ~~public hearing on or before the initial date that bids to~~  
16 ~~provide the non-instructional services are solicited or a~~  
17 ~~minimum of 30 days prior to entering into such a contract,~~  
18 ~~whichever provides a greater period of notice;~~

19 ~~(7) a contract shall contain provisions requiring the~~  
20 ~~contractor to offer available employee positions pursuant~~  
21 ~~to the contract to qualified school district employees~~  
22 ~~whose employment is terminated because of the contract; and~~

23 ~~(8) a contract shall contain provisions requiring the~~  
24 ~~contractor to comply with a policy of nondiscrimination and~~  
25 ~~equal employment opportunity for all persons and to take~~  
26 ~~affirmative steps to provide equal opportunity for all~~

1 ~~persons.~~

2 ~~(b) Notwithstanding subsection (a) of this Section, a board~~  
3 ~~of education may enter into a contract, of no longer than 3~~  
4 ~~months in duration, with a third party for non-instructional~~  
5 ~~services currently performed by an employee or bargaining unit~~  
6 ~~member for the purpose of augmenting the current workforce in~~  
7 ~~an emergency situation that threatens the safety or health of~~  
8 ~~the school district's students or staff, provided that the~~  
9 ~~school board meets all of its obligations under the Illinois~~  
10 ~~Educational Labor Relations Act.~~

11 ~~(c) The changes to this Section made by this amendatory Act~~  
12 ~~of the 95th General Assembly are not applicable to~~  
13 ~~non-instructional services of a school district that on the~~  
14 ~~effective date of this amendatory Act of the 95th General~~  
15 ~~Assembly are performed for the school district by a third~~  
16 ~~party.~~

17 (Source: P.A. 95-241, eff. 8-17-07; 96-328, eff. 8-11-09.)

18 (105 ILCS 5/14-2)

19 Sec. 14-2. Class size ~~Definition~~ of general education  
20 classes ~~classroom~~ for special education students receiving  
21 services in the general education classes and special education  
22 classrooms for special education students receiving services  
23 in the special education classroom.

24 (a) The State Board of Education shall have no authority to  
25 adopt or promulgate any administrative rules or regulations

1 that establish or limit the class size or ratio of the student  
2 population of a general education class for students receiving  
3 services in general education classes beyond what may be  
4 required by federal rule or law, unless the State Board of  
5 Education fully funds the cost of additional teachers and other  
6 staff that are required by such class size limitation. ~~With~~  
7 ~~respect to any State statute or administrative rule that~~  
8 ~~defines a general education classroom to be composed of a~~  
9 ~~certain percentage of students with individualized education~~  
10 ~~programs (IEPs), students with individualized education~~  
11 ~~programs shall exclude students receiving only speech services~~  
12 ~~outside of the general education classroom, provided that the~~  
13 ~~instruction the students receive in the general education~~  
14 ~~classroom does not require modification.~~

15 (b) The State Board of Education shall have no authority to  
16 adopt or promulgate any administrative rules or regulations  
17 that establish or limit the class size of special education  
18 classes beyond what may be required by federal rule or law,  
19 unless the State Board of Education fully funds the cost of  
20 additional teachers and other staff that are required by such  
21 class size limitation. "Special Education Classes" means any  
22 circumstance where only students with individual education  
23 plans are served and at least one special education teacher is  
24 assigned and provides instruction or therapy exclusively to  
25 students with individual education plans. ~~In every instance, a~~  
26 ~~school district must ensure that composition of the general~~

1 ~~education classroom does not interfere with the provision of a~~  
2 ~~free and appropriate public education to any student.~~

3 (c) Any rule or regulation in effect establishing or  
4 limiting the class size or ratio of student population of  
5 general education classes for special education students  
6 receiving services in general education classes or  
7 establishing or limiting the class size of special education  
8 classes is hereby null and void on the effective date of this  
9 amendatory Act of the 98th General Assembly.

10 (Source: P.A. 97-284, eff. 8-9-11.)

11 (105 ILCS 5/22-60)

12 Sec. 22-60. Unfunded mandates prohibited.

13 (a) No ~~public school~~ district ~~or private school~~ is  
14 obligated to comply with any statutory or regulatory mandate or  
15 requirement ~~the following types of mandates~~ unless a separate  
16 appropriation has been enacted into law providing ~~full~~ funding  
17 for the ~~mandate for the~~ school year during which the mandate is  
18 required. †

19 ~~(1) Any mandate in this Code enacted after the~~  
20 ~~effective date of this amendatory Act of the 96th General~~  
21 ~~Assembly.~~

22 ~~(2) Any regulatory mandate promulgated by the State~~  
23 ~~Board of Education and adopted by rule after the effective~~  
24 ~~date of this amendatory Act of the 96th General Assembly~~  
25 ~~other than those promulgated with respect to this Section~~

1 ~~or statutes already enacted on or before the effective date~~  
2 ~~of this amendatory Act of the 96th General Assembly.~~

3 (b) If the amount appropriated to fund a statutory or  
4 regulatory mandate or requirement is insufficient to ~~described~~  
5 ~~in subsection (a) of this Section does not~~ fully fund the  
6 mandated activity, then the school district ~~or private school~~  
7 may choose to discontinue or modify the mandated activity to  
8 ensure that the costs of compliance do not exceed the funding  
9 received. Official action by a school board must take place  
10 before a school district may discontinue or modify a mandated  
11 activity due to insufficient funding from the State. If a  
12 school district discontinues or modifies a mandated activity  
13 due to insufficient funding from the State, then the school  
14 district shall maintain a list of discontinued or modified  
15 mandated activities. The list shall be provided to the State  
16 Board of Education upon request.

17 ~~Before discontinuing or modifying the mandate, the school~~  
18 ~~district shall petition its regional superintendent of schools~~  
19 ~~on or before February 15 of each year to request to be exempt~~  
20 ~~from implementing the mandate in a school or schools in the~~  
21 ~~next school year. The petition shall include all legitimate~~  
22 ~~costs associated with implementing and operating the mandate,~~  
23 ~~the estimated reimbursement from State and federal sources, and~~  
24 ~~any unique circumstances the school district can verify that~~  
25 ~~exist that would cause the implementation and operation of such~~  
26 ~~a mandate to be cost prohibitive.~~

1       ~~The regional superintendent of schools shall review the~~  
2 ~~petition. In accordance with the Open Meetings Act, he or she~~  
3 ~~shall convene a public hearing to hear testimony from the~~  
4 ~~school district and interested community members. The regional~~  
5 ~~superintendent shall, on or before March 15 of each year,~~  
6 ~~inform the school district of his or her decision, along with~~  
7 ~~the reasons why the exemption was granted or denied, in~~  
8 ~~writing. The regional superintendent must also send~~  
9 ~~notification to the State Board of Education detailing which~~  
10 ~~school districts requested an exemption and the results.~~

11       ~~If the regional superintendent grants an exemption to the~~  
12 ~~school district, then the school district is relieved from the~~  
13 ~~requirement to establish and implement the mandate in the~~  
14 ~~school or schools granted an exemption for the next school~~  
15 ~~year. If the regional superintendent of schools does not grant~~  
16 ~~an exemption, then the school district shall implement the~~  
17 ~~mandate in accordance with the applicable law or rule by the~~  
18 ~~first student attendance day of the next school year. However,~~  
19 ~~the school district or a resident of the school district may on~~  
20 ~~or before April 15 appeal the decision of the regional~~  
21 ~~superintendent to the State Superintendent of Education. The~~  
22 ~~State Superintendent shall hear appeals on the decisions of~~  
23 ~~regional superintendents of schools no later than May 15 of~~  
24 ~~each year. The State Superintendent shall make a final decision~~  
25 ~~at the conclusion of the hearing on the school district's~~  
26 ~~request for an exemption from the mandate. If the State~~

1 ~~Superintendent grants an exemption, then the school district is~~  
2 ~~relieved from the requirement to implement a mandate in the~~  
3 ~~school or schools granted an exemption for the next school~~  
4 ~~year. If the State Superintendent does not grant an exemption,~~  
5 ~~then the school district shall implement the mandate in~~  
6 ~~accordance with the applicable law or rule by the first student~~  
7 ~~attendance day of the next school year.~~

8 ~~If a school district or private school discontinues or~~  
9 ~~modifies a mandated activity due to lack of full funding from~~  
10 ~~the State, then the school district or private school shall~~  
11 ~~annually maintain and update a list of discontinued or modified~~  
12 ~~mandated activities. The list shall be provided to the State~~  
13 ~~Board of Education upon request.~~

14 (c) (Blank). ~~This Section does not apply to (i) any new~~  
15 ~~statutory or regulatory mandates related to revised learning~~  
16 ~~standards developed through the Common Core State Standards~~  
17 ~~Initiative and assessments developed to align with those~~  
18 ~~standards or actions specified in this State's Phase 2 Race to~~  
19 ~~the Top Grant application if the application is approved by the~~  
20 ~~United States Department of Education or (ii) new statutory or~~  
21 ~~regulatory mandates from the Race to the Top Grant through the~~  
22 ~~federal American Recovery and Reinvestment Act of 2009 imposed~~  
23 ~~on school districts designated as being in the lowest~~  
24 ~~performing 5% of schools within the Race to the Top Grant~~  
25 ~~application.~~

26 (d) (Blank). ~~In any instances in which this Section~~

1 ~~conflicts with the State Mandates Act, the State Mandates Act~~  
2 ~~shall prevail.~~

3 (Source: P.A. 96-1441, eff. 8-20-10.)

4 (105 ILCS 5/27-24 rep.)

5 (105 ILCS 5/27-24.1 rep.)

6 (105 ILCS 5/27-24.2 rep.)

7 (105 ILCS 5/27-24.3 rep.)

8 (105 ILCS 5/27-24.4 rep.)

9 (105 ILCS 5/27-24.5 rep.)

10 (105 ILCS 5/27-24.6 rep.)

11 (105 ILCS 5/27-24.7 rep.)

12 (105 ILCS 5/27-24.8 rep.)

13 Section 20. The School Code is amended by repealing  
14 Sections 27-24, 27-24.1, 27-24.2, 27-24.3, 27-24.4, 27-24.5,  
15 27-24.6, 27-24.7, and 27-24.8.

16 Section 22. The Illinois Educational Labor Relations Act is  
17 amended by changing Section 4.5 and 17 as follows:

18 (115 ILCS 5/4.5)

19 Sec. 4.5. Subjects of collective bargaining.

20 (a) Notwithstanding the existence of any other provision in  
21 this Act or other law, except subsection (a-5) of this Section,  
22 collective bargaining between an educational employer whose  
23 territorial boundaries are coterminous with those of a city

1 having a population in excess of 500,000 and an exclusive  
2 representative of its employees may include any of the  
3 following subjects:

4 (1) (Blank).

5 (2) Decisions to contract with a third party for one or  
6 more services otherwise performed by employees in a  
7 bargaining unit and the procedures for obtaining such  
8 contract or the identity of the third party.

9 (3) Decisions to layoff or reduce in force employees.

10 (4) Decisions to determine class size, class staffing  
11 and assignment, class schedules, academic calendar, length  
12 of the work and school day with respect to a public school  
13 district organized under Article 34 of the School Code  
14 only, length of the work and school year with respect to a  
15 public school district organized under Article 34 of the  
16 School Code only, hours and places of instruction, or pupil  
17 assessment policies.

18 (5) Decisions concerning use and staffing of  
19 experimental or pilot programs and decisions concerning  
20 use of technology to deliver educational programs and  
21 services and staffing to provide the technology.

22 (a-5) On and after the effective date of this amendatory  
23 Act of the 98th General Assembly, a school district organized  
24 under Article 34 of the School Code and an exclusive  
25 representative of that district's employees shall not enter  
26 into, amend, or renew a collective bargaining agreement that

1 relates to decisions concerning the use and staffing of  
2 experimental or pilot programs or decisions concerning the use  
3 of technology to deliver educational programs and services and  
4 staffing to provide the technology.

5 (b) The subject or matters described in subsection (a) are  
6 permissive subjects of bargaining between an educational  
7 employer and an exclusive representative of its employees and,  
8 for the purpose of this Act, are within the sole discretion of  
9 the educational employer to decide to bargain, provided that  
10 the educational employer is required to bargain over the impact  
11 of a decision concerning such subject or matter on the  
12 bargaining unit upon request by the exclusive representative.  
13 During this bargaining, the educational employer shall not be  
14 precluded from implementing its decision. If, after a  
15 reasonable period of bargaining, a dispute or impasse exists  
16 between the educational employer and the exclusive  
17 representative, the dispute or impasse shall be resolved  
18 exclusively as set forth in subsection (b) of Section 12 of  
19 this Act in lieu of a strike under Section 13 of this Act.  
20 Neither the Board nor any mediator or fact-finder appointed  
21 pursuant to subsection (a-10) of Section 12 of this Act shall  
22 have jurisdiction over such a dispute or impasse.

23 (c) A provision in a collective bargaining agreement that  
24 was rendered null and void because it involved a prohibited  
25 subject of collective bargaining under this subsection (c) as  
26 this subsection (c) existed before the effective date of this

1 amendatory Act of the 93rd General Assembly remains null and  
2 void and shall not otherwise be reinstated in any successor  
3 agreement unless the educational employer and exclusive  
4 representative otherwise agree to include an agreement reached  
5 on a subject or matter described in subsection (a) of this  
6 Section as subsection (a) existed before this amendatory Act of  
7 the 93rd General Assembly.

8 (Source: P.A. 97-7, eff. 6-13-11; 97-8, eff. 6-13-11.)

9 (115 ILCS 5/17) (from Ch. 48, par. 1717)

10 Sec. 17. Effect on other laws. In case of any conflict  
11 between the provisions of this Act and any other law (other  
12 than the changes made by this amendatory Act of the 98th  
13 General Assembly), executive order or administrative  
14 regulation, the provisions of this Act shall prevail and  
15 control. Nothing in this Act shall be construed to replace or  
16 diminish the rights of employees established by Section 36d of  
17 "An Act to create the State Universities Civil Service System",  
18 approved May 11, 1905, as amended or modified.

19 (Source: P.A. 83-1014.)

20 Section 25. The Illinois Vehicle Code is amended by  
21 changing Sections 1-103 and 6-103 as follows:

22 (625 ILCS 5/1-103) (from Ch. 95 1/2, par. 1-103)

23 Sec. 1-103. Approved driver education course. (a) Any

1 course of driver education approved by the State Board of  
2 Education, offered by public or private schools maintaining  
3 grades 9 through 12, ~~and meeting at least the minimum~~  
4 ~~requirements of the "Driver Education Act", as now or hereafter~~  
5 ~~amended,~~ (b) any course of driver education offered by a school  
6 licensed to give driver education instructions under this Code  
7 ~~that Act which meets at least the minimum educational~~  
8 ~~requirements of the "Driver Education Act", as now or hereafter~~  
9 ~~amended,~~ and is approved by the State Board of Education, (c)  
10 any course of driver education given in another state ~~State~~ to  
11 an Illinois resident attending school in such state ~~State~~ and  
12 approved by the state ~~State~~ administrator of the Driver  
13 Education Program of such other state ~~State~~, or (d) any course  
14 of driver education given at a Department of Defense Education  
15 Activity school that is approved by the Department of Defense  
16 Education Activity and taught by an adult driver education  
17 instructor or traffic safety officer.

18 (Source: P.A. 96-740, eff. 1-1-10.)

19 (625 ILCS 5/6-103) (from Ch. 95 1/2, par. 6-103)

20 Sec. 6-103. What persons shall not be licensed as drivers  
21 or granted permits. The Secretary of State shall not issue,  
22 renew, or allow the retention of any driver's license nor issue  
23 any permit under this Code:

24 1. To any person, as a driver, who is under the age of  
25 18 years except as provided in Section 6-107, and except

1           that an instruction permit may be issued under Section  
2           6-107.1 to a child who is not less than 15 years of age if  
3           the child is enrolled in an approved driver education  
4           course as defined in Section 1-103 of this Code and  
5           requires an instruction permit to participate therein,  
6           except that an instruction permit may be issued under the  
7           provisions of Section 6-107.1 to a child who is 17 years  
8           and 3 months of age without the child having enrolled in an  
9           approved driver education course and except that an  
10          instruction permit may be issued to a child who is at least  
11          15 years and 3 months of age, is enrolled in school, ~~meets~~  
12          ~~the educational requirements of the Driver Education Act,~~  
13          and has passed examinations the Secretary of State in his  
14          or her discretion may prescribe;

15                 2. To any person who is under the age of 18 as an  
16                 operator of a motorcycle other than a motor driven cycle  
17                 unless the person has, in addition to meeting the  
18                 provisions of Section 6-107 of this Code, successfully  
19                 completed a motorcycle training course approved by the  
20                 Illinois Department of Transportation and successfully  
21                 completes the required Secretary of State's motorcycle  
22                 driver's examination;

23                 3. To any person, as a driver, whose driver's license  
24                 or permit has been suspended, during the suspension, nor to  
25                 any person whose driver's license or permit has been  
26                 revoked, except as provided in Sections 6-205, 6-206, and

1           6-208;

2           4. To any person, as a driver, who is a user of alcohol  
3           or any other drug to a degree that renders the person  
4           incapable of safely driving a motor vehicle;

5           5. To any person, as a driver, who has previously been  
6           adjudged to be afflicted with or suffering from any mental  
7           or physical disability or disease and who has not at the  
8           time of application been restored to competency by the  
9           methods provided by law;

10          6. To any person, as a driver, who is required by the  
11          Secretary of State to submit an alcohol and drug evaluation  
12          or take an examination provided for in this Code unless the  
13          person has successfully passed the examination and  
14          submitted any required evaluation;

15          7. To any person who is required under the provisions  
16          of the laws of this State to deposit security or proof of  
17          financial responsibility and who has not deposited the  
18          security or proof;

19          8. To any person when the Secretary of State has good  
20          cause to believe that the person by reason of physical or  
21          mental disability would not be able to safely operate a  
22          motor vehicle upon the highways, unless the person shall  
23          furnish to the Secretary of State a verified written  
24          statement, acceptable to the Secretary of State, from a  
25          competent medical specialist, a licensed physician  
26          assistant who has been delegated the performance of medical

1 examinations by his or her supervising physician, or a  
2 licensed advanced practice nurse who has a written  
3 collaborative agreement with a collaborating physician  
4 which authorizes him or her to perform medical  
5 examinations, to the effect that the operation of a motor  
6 vehicle by the person would not be inimical to the public  
7 safety;

8 9. To any person, as a driver, who is 69 years of age  
9 or older, unless the person has successfully complied with  
10 the provisions of Section 6-109;

11 10. To any person convicted, within 12 months of  
12 application for a license, of any of the sexual offenses  
13 enumerated in paragraph 2 of subsection (b) of Section  
14 6-205;

15 11. To any person who is under the age of 21 years with  
16 a classification prohibited in paragraph (b) of Section  
17 6-104 and to any person who is under the age of 18 years  
18 with a classification prohibited in paragraph (c) of  
19 Section 6-104;

20 12. To any person who has been either convicted of or  
21 adjudicated under the Juvenile Court Act of 1987 based upon  
22 a violation of the Cannabis Control Act, the Illinois  
23 Controlled Substances Act, or the Methamphetamine Control  
24 and Community Protection Act while that person was in  
25 actual physical control of a motor vehicle. For purposes of  
26 this Section, any person placed on probation under Section

1 10 of the Cannabis Control Act, Section 410 of the Illinois  
2 Controlled Substances Act, or Section 70 of the  
3 Methamphetamine Control and Community Protection Act shall  
4 not be considered convicted. Any person found guilty of  
5 this offense, while in actual physical control of a motor  
6 vehicle, shall have an entry made in the court record by  
7 the judge that this offense did occur while the person was  
8 in actual physical control of a motor vehicle and order the  
9 clerk of the court to report the violation to the Secretary  
10 of State as such. The Secretary of State shall not issue a  
11 new license or permit for a period of one year;

12 13. To any person who is under the age of 18 years and  
13 who has committed the offense of operating a motor vehicle  
14 without a valid license or permit in violation of Section  
15 6-101 or a similar out of state offense;

16 14. To any person who is 90 days or more delinquent in  
17 court ordered child support payments or has been  
18 adjudicated in arrears in an amount equal to 90 days'  
19 obligation or more and who has been found in contempt of  
20 court for failure to pay the support, subject to the  
21 requirements and procedures of Article VII of Chapter 7 of  
22 the Illinois Vehicle Code;

23 14.5. To any person certified by the Illinois  
24 Department of Healthcare and Family Services as being 90  
25 days or more delinquent in payment of support under an  
26 order of support entered by a court or administrative body

1 of this or any other State, subject to the requirements and  
2 procedures of Article VII of Chapter 7 of this Code  
3 regarding those certifications;

4 15. To any person released from a term of imprisonment  
5 for violating Section 9-3 of the Criminal Code of 1961 or  
6 the Criminal Code of 2012, or a similar provision of a law  
7 of another state relating to reckless homicide or for  
8 violating subparagraph (F) of paragraph (1) of subsection  
9 (d) of Section 11-501 of this Code relating to aggravated  
10 driving under the influence of alcohol, other drug or  
11 drugs, intoxicating compound or compounds, or any  
12 combination thereof, if the violation was the proximate  
13 cause of a death, within 24 months of release from a term  
14 of imprisonment;

15 16. To any person who, with intent to influence any act  
16 related to the issuance of any driver's license or permit,  
17 by an employee of the Secretary of State's Office, or the  
18 owner or employee of any commercial driver training school  
19 licensed by the Secretary of State, or any other individual  
20 authorized by the laws of this State to give driving  
21 instructions or administer all or part of a driver's  
22 license examination, promises or tenders to that person any  
23 property or personal advantage which that person is not  
24 authorized by law to accept. Any persons promising or  
25 tendering such property or personal advantage shall be  
26 disqualified from holding any class of driver's license or

1 permit for 120 consecutive days. The Secretary of State  
2 shall establish by rule the procedures for implementing  
3 this period of disqualification and the procedures by which  
4 persons so disqualified may obtain administrative review  
5 of the decision to disqualify;

6 17. To any person for whom the Secretary of State  
7 cannot verify the accuracy of any information or  
8 documentation submitted in application for a driver's  
9 license; or

10 18. To any person who has been adjudicated under the  
11 Juvenile Court Act of 1987 based upon an offense that is  
12 determined by the court to have been committed in  
13 furtherance of the criminal activities of an organized  
14 gang, as provided in Section 5-710 of that Act, and that  
15 involved the operation or use of a motor vehicle or the use  
16 of a driver's license or permit. The person shall be denied  
17 a license or permit for the period determined by the court.

18 The Secretary of State shall retain all conviction  
19 information, if the information is required to be held  
20 confidential under the Juvenile Court Act of 1987.

21 (Source: P.A. 96-607, eff. 8-24-09; 96-740, eff. 1-1-10;  
22 96-962, eff. 7-2-10; 96-1000, eff. 7-2-10; 97-185, eff.  
23 7-22-11; 97-1150, eff. 1-25-13.)

24 Section 30. The Prevailing Wage Act is amended by changing  
25 Section 2 and by adding Section 11c as follows:

1 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)

2 Sec. 2. This Act applies to the wages of laborers,  
3 mechanics and other workers employed in any public works, as  
4 hereinafter defined, by any public body and to anyone under  
5 contracts for public works. This includes any maintenance,  
6 repair, assembly, or disassembly work performed on equipment  
7 whether owned, leased, or rented.

8 As used in this Act, unless the context indicates  
9 otherwise:

10 "Public works" means all fixed works constructed or  
11 demolished by any public body, or paid for wholly or in part  
12 out of public funds. "Public works" as defined herein includes  
13 all projects financed in whole or in part with bonds, grants,  
14 loans, or other funds made available by or through the State or  
15 any of its political subdivisions, including but not limited  
16 to: bonds issued under the Industrial Project Revenue Bond Act  
17 (Article 11, Division 74 of the Illinois Municipal Code), the  
18 Industrial Building Revenue Bond Act, the Illinois Finance  
19 Authority Act, the Illinois Sports Facilities Authority Act, or  
20 the Build Illinois Bond Act; loans or other funds made  
21 available pursuant to the Build Illinois Act; or funds from the  
22 Fund for Illinois' Future under Section 6z-47 of the State  
23 Finance Act, funds for school construction under Section 5 of  
24 the General Obligation Bond Act, funds authorized under Section  
25 3 of the School Construction Bond Act, funds for school

1 infrastructure under Section 6z-45 of the State Finance Act,  
2 and funds for transportation purposes under Section 4 of the  
3 General Obligation Bond Act. "Public works" also includes (i)  
4 all projects financed in whole or in part with funds from the  
5 Department of Commerce and Economic Opportunity under the  
6 Illinois Renewable Fuels Development Program Act for which  
7 there is no project labor agreement; (ii) all work performed  
8 pursuant to a public private agreement under the Public Private  
9 Agreements for the Illiana Expressway Act; and (iii) all  
10 projects undertaken under a public-private agreement under the  
11 Public-Private Partnerships for Transportation Act. "Public  
12 works" also includes all projects at leased facility property  
13 used for airport purposes under Section 35 of the Local  
14 Government Facility Lease Act. "Public works" also includes the  
15 construction of a new wind power facility by a business  
16 designated as a High Impact Business under Section 5.5(a)(3)(E)  
17 of the Illinois Enterprise Zone Act. "Public works" does not  
18 include work done directly by any public utility company,  
19 whether or not done under public supervision or direction, or  
20 paid for wholly or in part out of public funds. "Public works"  
21 does not include projects undertaken by the owner at an  
22 owner-occupied single-family residence or at an owner-occupied  
23 unit of a multi-family residence.

24 "School construction project" means the acquisition,  
25 development, construction, reconstruction, rehabilitation,  
26 improvement, architectural planning, and installation of

1 capital facilities consisting of buildings, structures,  
2 durable equipment, and land for educational purposes.

3 "Construction" means all work on public works involving  
4 laborers, workers or mechanics. This includes any maintenance,  
5 repair, assembly, or disassembly work performed on equipment  
6 whether owned, leased, or rented.

7 "Locality" means the county where the physical work upon  
8 public works is performed, except (1) that if there is not  
9 available in the county a sufficient number of competent  
10 skilled laborers, workers and mechanics to construct the public  
11 works efficiently and properly, "locality" includes any other  
12 county nearest the one in which the work or construction is to  
13 be performed and from which such persons may be obtained in  
14 sufficient numbers to perform the work and (2) that, with  
15 respect to contracts for highway work with the Department of  
16 Transportation of this State, "locality" may at the discretion  
17 of the Secretary of the Department of Transportation be  
18 construed to include two or more adjacent counties from which  
19 workers may be accessible for work on such construction.

20 "Public body" means the State or any officer, board or  
21 commission of the State or any political subdivision or  
22 department thereof, or any institution supported in whole or in  
23 part by public funds, and includes every county, city, town,  
24 village, township, school district, irrigation, utility,  
25 reclamation improvement or other district and every other  
26 political subdivision, district or municipality of the state

1 whether such political subdivision, municipality or district  
2 operates under a special charter or not.

3 The terms "general prevailing rate of hourly wages",  
4 "general prevailing rate of wages" or "prevailing rate of  
5 wages" when used in this Act mean the hourly cash wages plus  
6 fringe benefits for training and apprenticeship programs  
7 approved by the U.S. Department of Labor, Bureau of  
8 Apprenticeship and Training, health and welfare, insurance,  
9 vacations and pensions paid generally, in the locality in which  
10 the work is being performed, to employees engaged in work of a  
11 similar character on public works.

12 (Source: P.A. 96-28, eff. 7-1-09; 96-58, eff. 1-1-10; 96-186,  
13 eff. 1-1-10; 96-913, eff. 6-9-10; 96-1000, eff. 7-2-10; 97-502,  
14 eff. 8-23-11.)

15 (820 ILCS 130/11c new)

16 Sec. 11c. School district exemption.

17 By passage of a resolution, the board of education of any  
18 school district may exempt all school construction projects  
19 undertaken in the district from the requirements of this Act.

20 Section 90. The State Mandates Act is amended by adding  
21 Section 8.37 as follows:

22 (30 ILCS 805/8.37 new)

23 Sec. 8.37. Exempt mandate. Notwithstanding Sections 6 and 8

1 of this Act, no reimbursement by the State is required for the  
2 implementation of any mandate created by this amendatory Act of  
3 the 98th General Assembly.

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.

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## Statutes amended in order of appearance

3 5 ILCS 315/15 from Ch. 48, par. 1615  
4 30 ILCS 571/10  
5 30 ILCS 571/15  
6 30 ILCS 571/17 new  
7 40 ILCS 5/1-160  
8 40 ILCS 5/2-103.1 new  
9 40 ILCS 5/2-103.2 new  
10 40 ILCS 5/2-105.1 new  
11 40 ILCS 5/2-108 from Ch. 108 1/2, par. 2-108  
12 40 ILCS 5/2-119 from Ch. 108 1/2, par. 2-119  
13 40 ILCS 5/2-119.1 from Ch. 108 1/2, par. 2-119.1  
14 40 ILCS 5/2-126.2 new  
15 40 ILCS 5/7-109 from Ch. 108 1/2, par. 7-109  
16 40 ILCS 5/14-103.10 from Ch. 108 1/2, par. 14-103.10  
17 40 ILCS 5/14-103.40 new  
18 40 ILCS 5/14-103.41 new  
19 40 ILCS 5/14-103.42 new  
20 40 ILCS 5/14-103.43 new  
21 40 ILCS 5/14-106.5 new  
22 40 ILCS 5/14-107 from Ch. 108 1/2, par. 14-107  
23 40 ILCS 5/14-110 from Ch. 108 1/2, par. 14-110  
24 40 ILCS 5/14-114 from Ch. 108 1/2, par. 14-114  
25 40 ILCS 5/14-133.2 new

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2 40 ILCS 5/15-103.2  
3 40 ILCS 5/15-107 from Ch. 108 1/2, par. 15-107  
4 40 ILCS 5/15-107.1 new  
5 40 ILCS 5/15-111 from Ch. 108 1/2, par. 15-111  
6 40 ILCS 5/15-134.5  
7 40 ILCS 5/15-134.6 new  
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9 40 ILCS 5/15-136 from Ch. 108 1/2, par. 15-136  
10 40 ILCS 5/15-158.2  
11 40 ILCS 5/16-104.1 new  
12 40 ILCS 5/16-104.2 new  
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14 40 ILCS 5/16-106.4 new  
15 40 ILCS 5/16-121 from Ch. 108 1/2, par. 16-121  
16 40 ILCS 5/16-131.7 new  
17 40 ILCS 5/16-132 from Ch. 108 1/2, par. 16-132  
18 40 ILCS 5/16-133.1 from Ch. 108 1/2, par. 16-133.1  
19 40 ILCS 5/16-152.1 from Ch. 108 1/2, par. 16-152.1  
20 40 ILCS 5/16-158 from Ch. 108 1/2, par. 16-158  
21 40 ILCS 5/16-158.2 new  
22 40 ILCS 5/18-105.1 new  
23 40 ILCS 5/18-105.2 new  
24 40 ILCS 5/18-108.1 new  
25 40 ILCS 5/18-111 from Ch. 108 1/2, par. 18-111  
26 40 ILCS 5/18-123.3 new

1	40 ILCS 5/18-124	from Ch. 108 1/2, par. 18-124
2	40 ILCS 5/18-125.1	from Ch. 108 1/2, par. 18-125.1
3	40 ILCS 5/18-133.2 new	
4	105 ILCS 5/2-3.11	from Ch. 122, par. 2-3.11
5	105 ILCS 5/10-22.34c	
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7	105 ILCS 5/22-60	
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22	820 ILCS 130/11c new	
23	30 ILCS 805/8.37 new	